

MONY GROUP INC  
Form DEFM14A  
January 08, 2004  
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**SCHEDULE 14A**

**(RULE 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT**

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only**

**(as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule 14a-12

THE MONY GROUP INC.

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(Name of Registrant as Specified in its Charter)

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(Name of Person(s) Filing Proxy Statement if Other than the Registrant)

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  - (1) Amount Previously Paid: N/A
  - (2) Form, Schedule or Registration Statement No.: N/A
  - (3) Filing Party: N/A
  - (4) Date Filed: N/A

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The MONY Group Inc.

1740 Broadway

New York, NY 10019

www.mony.com

**Important Special Meeting of Stockholders**

January 8, 2004

Dear Stockholder:

You are cordially invited to attend the special meeting of stockholders of The MONY Group Inc., to be held on Tuesday, February 24, 2004, at 9:30 a.m. local time, at the New York Marriott Marquis hotel, 1535 Broadway, New York, New York.

At the special meeting, you will be asked to consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of September 17, 2003, among AXA Financial, Inc., AIMA Acquisition Co. and The MONY Group Inc., providing for the acquisition of MONY by AXA Financial. If the MONY stockholders adopt the merger agreement, AIMA Acquisition Co., a wholly owned subsidiary of AXA Financial, will merge with and into MONY, and each issued and outstanding share of MONY common stock will be canceled and converted automatically into the right to receive \$31.00 in cash without interest, less any applicable withholding tax, except for any such shares of MONY common stock with respect to which appraisal rights have been properly perfected under Delaware law. As a result of the merger, MONY will cease to be a publicly traded company and will become a wholly owned subsidiary of AXA Financial.

**Your board of directors, by unanimous vote and after careful consideration, (i) has approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) has determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders and (iii) recommends that MONY stockholders vote FOR adoption of the merger agreement.**

Completion of the proposed merger is subject to the satisfaction or valid waiver of a number of conditions, including, among others, obtaining certain necessary approvals and consents from applicable insurance and banking regulators. Therefore, even if MONY's stockholders adopt the merger agreement, we cannot assure you that the proposed merger will be completed.

The accompanying proxy statement provides you with detailed information about the proposed merger and the special meeting. Please give this material your careful and prompt attention. You may also obtain more information about MONY from documents that we have filed with the

U.S. Securities and Exchange Commission.

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**YOUR VOTE IS IMPORTANT**

Your vote is important regardless of the number of shares of MONY common stock that you own. Because adoption of the merger agreement requires the affirmative vote of holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote thereon, a failure to vote, or an abstention from voting, will have the same effect as a vote against the merger.

**Accordingly, you are requested to vote your shares of MONY common stock by proxy promptly by either (a) using a toll-free number as described in the enclosed proxy card or voting instruction form, (b) using the Internet as described in the enclosed proxy card or voting instruction form or (c) by completing, signing, dating and promptly mailing the proxy card in the postage-paid envelope provided, whether or not you plan to attend the special meeting. Voting in any of these ways will not prevent you from voting your shares in person if you subsequently choose to attend the special meeting.**

Finally, if you have any questions or need assistance in voting your shares of MONY common stock, please call D. F. King & Co., Inc., which is assisting MONY, toll-free at (800) 488-8075.

On behalf of your Board of Directors, thank you for your cooperation.

Very truly yours,

Michael I. Roth

Chairman of the Board and Chief Executive Officer

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**Neither the United States Securities and Exchange Commission nor any state securities regulator**

**has approved or disapproved the merger described in the proxy statement or determined if the proxy statement is accurate or adequate. Any representation to the contrary is a criminal offense.**

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This proxy statement is dated January 8, 2004 and is first being mailed to stockholders on or about January 9, 2004.

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The MONY Group Inc.

1740 Broadway

New York, NY 10019

www.mony.com

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON TUESDAY, FEBRUARY 24, 2004**

To the Stockholders of The MONY Group Inc.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of The MONY Group Inc., a Delaware corporation, will be held on Tuesday, February 24, 2004, at 9:30 a.m. local time, at the New York Marriott Marquis hotel, 1535 Broadway, New York, New York, for the following purposes:

1. To consider and vote upon a proposal to adopt the Agreement and Plan of Merger, dated as of September 17, 2003, among AXA Financial, Inc., AIMA Acquisition Co. and The MONY Group Inc. A copy of the merger agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the merger agreement, AIMA Acquisition Co., a wholly owned subsidiary of AXA Financial, will merge with and into MONY, with MONY continuing as the surviving corporation and becoming a wholly owned subsidiary of AXA Financial, and each issued and outstanding share of common stock of MONY, other than those shares of MONY common stock, including MONY restricted common stock, held by the stockholders, if any, who properly exercise their appraisal rights under Delaware law, will be converted into the right to receive \$31.00 in cash without interest and less any required withholding tax.
2. In the event that there are not sufficient votes for approval of Proposal 1 at the special meeting, to consider and vote upon any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of Proposal 1 above.
3. To consider and vote upon a stockholder proposal, if presented at the special meeting, as described in this proxy statement under the heading Stockholder Proposal.
4. To transact such other business as may properly come before the special meeting or any adjournment or postponement of the special meeting and any matters incidental thereto.

**The MONY board of directors, by unanimous vote and after careful consideration, (i) has approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) has determined that the terms of the merger and the other transactions**

contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders, (iii) recommends that MONY stockholders vote **FOR** adoption of the merger agreement and (iv) recommends that MONY stockholders vote **FOR** any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adopting the merger agreement in the event that there are insufficient votes to adopt the merger agreement at the special meeting.

**The MONY board of directors, by unanimous vote and after careful consideration, recommends that MONY stockholders vote AGAINST approval of the stockholder proposal, if presented at the special meeting.**

Only MONY stockholders of record at the close of business on January 2, 2004, are entitled to notice of and to vote at the special meeting and at any adjournment or postponement of the special meeting. All MONY stockholders of record are cordially invited to attend the special meeting in person. However, to assure that your shares of MONY common stock are voted in case you cannot attend, you are urged to vote your shares by proxy by either (a) using a toll-free number as described in the enclosed proxy card or voting instruction form, (b) using

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the Internet following the instructions on the enclosed proxy card or voting instruction form or (c) by completing, signing, dating and promptly mailing your proxy card in the postage-paid envelope provided for that purpose. Any stockholder attending the special meeting may vote in person even if he or she has returned a proxy.

MONY stockholders have the right to dissent from the merger and obtain payment in cash of the fair value of their shares of MONY common stock as determined by the Delaware Court of Chancery under applicable provisions of Delaware law. In order to perfect and exercise appraisal rights, stockholders must deliver a written demand for appraisal of their shares before the taking of the vote on the merger at the special meeting and must not vote in favor of the merger. A copy of the applicable Delaware statutory provisions is included as Annex C to the accompanying proxy statement, and a summary of these provisions can be found under Dissenters Rights of Appraisal in the accompanying proxy statement. The amount awarded by the Delaware Court of Chancery in respect of the exercise of a stockholder's appraisal rights may be more than, less than or equal to the merger consideration.

Adoption of the merger agreement requires approval of holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote thereon. In the event that there are not sufficient votes to approve the proposed merger at the time of the special meeting, the special meeting may be postponed or adjourned in order to permit further solicitation by MONY if (i) Proposal 2 is adopted at the special meeting, or (ii) there is no quorum at the special meeting, and a duly authorized officer of MONY entitled to preside at the special meeting elects to postpone or adjourn the special meeting.

By Order of the Board of Directors

Lee M. Smith

Vice President and Corporate Secretary

New York, New York

January 8, 2004

**YOUR VOTE IS IMPORTANT**

**Whether or not you plan to attend the special meeting, please complete, sign, date and promptly mail your enclosed proxy card or voting instruction form in the postage-paid envelope provided. Should you prefer, you may vote by proxy by telephone or via the Internet by following the instructions on your proxy card or voting instruction form. Remember, if you do not return your proxy card or vote by proxy by telephone or via the Internet or if you abstain from voting, it will have the same effect as a vote against adoption of the merger agreement. You may revoke your proxy and vote in person if you decide to attend the special meeting.**



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If you have certificates representing shares of MONY common stock, please do not send your certificates to MONY at this time. If the merger agreement is adopted, you will be sent instructions regarding the surrender of your certificates to receive payment for your shares of MONY common stock. If you hold your shares of MONY common stock in book-entry form that is, without a stock certificate you do not need to do anything to receive payment for your shares of MONY common stock. Following completion of the merger, the paying agent will automatically mail you the merger consideration in exchange for the cancellation of your shares of MONY common stock, provided that you comply with applicable tax certification requirements.

No person has been authorized to give any information or to make any representations other than those contained in this proxy statement in connection with the solicitation of proxies made hereby, and, if given or made, such information or representation must not be relied upon as having been authorized by MONY or any other person.

**If you have any questions or need assistance in voting your shares of MONY common stock, please call D. F. King & Co., Inc., which is assisting MONY, toll-free at (800) 488-8075.**

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**SUMMARY TERM SHEET**

This summary does not contain all of the information that is important to you. You should carefully read the entire proxy statement, including each of the annexes attached to the proxy statement, to fully understand the merger. A copy of the merger agreement is attached as Annex A to this proxy statement. We encourage you to read the merger agreement carefully in its entirety because it is the legal document that governs the merger.

**Proposed Acquisition**

*Stockholder Vote.* You are being asked to vote to adopt a merger agreement pursuant to which MONY will be acquired by AXA Financial.

*Price for Your Stock.* In the proposed merger, you will receive \$31.00 in cash, without interest, less any applicable withholding tax, for each of your shares of MONY common stock.

**Board Recommendation (page 32)**

MONY's board of directors, by unanimous vote and after careful consideration, (i) has approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) has determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders and (iii) recommends that MONY stockholders vote FOR adoption of the merger agreement. See The Merger Recommendation of MONY's Board of Directors.

**MONY's Reasons for the Merger (page 29)**

MONY's board of directors carefully considered the terms of the proposed transaction and MONY's strategic alternatives in deciding to enter into the merger agreement and to recommend that stockholders vote FOR adoption of the merger agreement. Among the factors considered by the board of directors were:

MONY's knowledge of, and its beliefs about, the environment in which it operates and the impact of this environment on MONY's opportunities as a stand-alone entity or on MONY's ability to consummate an alternative strategic transaction in the future. Specifically, MONY believed that this environment created difficult operating conditions for life insurers in general and MONY in particular;

the strategic options available to MONY and MONY's assessment that none of these options, including remaining independent, is likely to present an opportunity that is equal or superior to the proposed merger with AXA Financial or to create value for MONY stockholders that is equal to or greater than that created by the proposed merger;

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MONY's financial condition, results of operations and business and earnings prospects if it were to remain independent, as well as the meaningful risk that MONY would not achieve its expected results;

the fact that, because of the strain on statutory capital resulting from new life insurance and annuity sales without sufficient income from life insurance operations to support such sales, in the past year MONY has had to invest over \$50 million of holding company funds in MONY Life to support its capital and, in the foreseeable future, MONY expects to continue to have to make sizable investments in the life operations without offsetting income from those operations;

the prospect that, absent the proposed merger, the ratings agencies would, in the immediate future, downgrade MONY's senior debt credit ratings and MONY Life's financial strength ratings and, the effect that such a downgrade would have on MONY Life;

the need for economies of scale in MONY's business which the MONY board of directors believed MONY did not have, the resulting conclusion that MONY's variable products businesses and career agency

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distribution system would be worth more to AXA Financial than they are worth to MONY as an independent public company, and MONY's judgment that a sale to AXA Financial would, therefore, maximize the value MONY's stockholders would receive for those components of MONY's business;

the belief of the MONY board of directors, based on discussions with MONY's management and MONY's financial advisors and publicly available research analysts' reports, that the market price of MONY common stock in the months immediately preceding the September 17, 2003 public announcement of the proposed merger was inflated by the speculation concerning a possible acquisition of MONY and the premium that AXA Financial's offer of \$31.00 per share represented after taking into account this likely inflation;

MONY's small stock market float and the consequent difficulty that MONY's large stockholders would have in selling their holdings in the public market, over a relatively short period of time, without depressing the market price of MONY common stock, were MONY to remain an independent public company;

the terms of the merger agreement, which provide MONY with an ability to respond to, and to accept, an unsolicited offer that is superior to the merger, if necessary to comply with the MONY board of directors' fiduciary duties to the MONY stockholders under applicable law;

the history of conversations since MONY's demutualization with other potential acquirors, that, in each case, failed to result in any definitive offer to acquire MONY, and the MONY board of directors' conclusion that based on such unsuccessful conversations that it was unlikely that a higher value can be achieved for MONY stockholders by means of a transaction with any other party, combined with the likelihood that, given MONY's ability under the merger agreement, as described immediately above, to respond to and accept an unsolicited offer that is superior to the merger, any other party that is willing and able to pay a price higher than \$31.00 per share would come forward before the MONY stockholders vote on the proposed transaction;

the belief of the MONY board of directors that, given the potential consolidation savings and other economies that AXA Financial could achieve in a merger with MONY, AXA Financial could extract synergies which were more significant than most potential acquirors, thereby enabling it to pay a higher price for MONY than other potential acquirors who would not be able to extract such synergies;

the belief of the MONY board of directors that AXA Financial was significantly better positioned than other potential acquirors of MONY;

the written opinion of Credit Suisse First Boston LLC, dated September 17, 2003, to the effect that as of such date and based upon and subject to the matters stated in such opinion, the merger consideration was fair, from a financial point of view, to the holders of MONY common stock, other than AXA Financial and its affiliates; and

the closing conditions included in the merger agreement, including the board of directors' beliefs as to (i) the likelihood that the merger would be approved by the requisite regulatory authorities, (ii) whether the merger agreement would be adopted by MONY's stockholders and (iii) whether the other conditions to AXA Financial's obligation to close would be satisfied.

In addition to taking into account the foregoing factors, MONY's board of directors also considered the following potentially negative factors in reaching its decision to approve the merger agreement:

the possibility that MONY would be substantially more profitable than expected or that another acquiror would be willing to pay a higher price in the future;

the possible effect of the public announcement of the transaction on the



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continuing commitment of MONY's agents and management pending the MONY stockholder vote;

the substantial risk that, given the agreed-upon restriction on the MONY board of directors' ability to declare and pay a dividend, MONY's stockholders may receive little or no further dividends;

the fact that the merger will be a taxable transaction to MONY stockholders;

the fact that, because MONY stockholders are receiving cash for their shares of MONY common stock, they will not participate in any potential future growth of either MONY or AXA Financial;

the potential public perception that the premium reflected in the \$31.00 per share to be paid in the proposed transaction over recent trading prices of MONY common stock is not as high as premiums in some other transactions;

the potential impact of the transaction on MONY's employees, including the possibility that jobs will be eliminated;

the possibility that some stockholders might believe that MONY's fair value is more accurately reflected by MONY's GAAP or statutory book value than by the market price of MONY common stock; and

the interests of some directors and officers of MONY that are different from, or in addition to, the interests of MONY stockholders generally.

See [The Merger](#) [MONY's Reasons for the Merger](#).

**Opinion of MONY's Financial Advisor (page 32)**

In connection with the proposed merger, MONY's financial advisor, Credit Suisse First Boston LLC, delivered a written opinion to the MONY board of directors, dated September 17, 2003, to the effect that as of the date of the opinion and based upon and subject to the matters stated in the opinion, the merger consideration was fair, from a financial point of view, to the holders of MONY common stock, other than AXA Financial and its affiliates. The full text of Credit Suisse First Boston's written opinion is attached to this proxy statement as Annex B. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. Credit Suisse First Boston's opinion is addressed to the MONY board of directors and does not constitute a recommendation to any stockholder as to any matter relating to the merger. See [The Merger](#) [Opinion of MONY's Financial Advisor](#).

**Certain United States Federal Income Tax Consequences (page 50)**

The conversion of shares of MONY common stock into cash pursuant to the merger is a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. You should consult your own tax advisor about the particular tax consequences of the merger to you. See [Certain U.S. Federal Income Tax Consequences](#).

**The Special Meeting of Stockholders (page 15)**

*Place, Date and Time.* The special meeting will be held at the New York Marriott Marquis hotel, 1535 Broadway, New York, New York, at 9:30 a.m. local time, on Tuesday, February 24, 2004.

*What Vote is Required for Adoption of the Merger Agreement.* Adoption of the merger agreement requires the approval of holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote thereon. The failure to vote, or an abstention from voting, has the same effect as a vote against adoption of the merger agreement. As such, your vote is important.

*What Vote is Required to Adjourn the Special Meeting to Solicit Additional Proxies.* Adoption of a proposal to postpone or adjourn the special meeting to a later date for the purpose of soliciting additional proxies in favor of adoption of the merger agreement requires the approval

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of holders of a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

*What Vote is Required to Approve the Stockholder Proposal.* Adoption of the stockholder proposal requires the approval of holders of a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

*Who Can Vote at the Meeting.* At the special meeting, you can vote all of the shares of MONY common stock that you own of record as of January 2, 2004, which is the record date for the special meeting. If you own shares that are registered in someone else's name, for example, a broker, you need to direct that person to vote those shares or obtain an authorization from that person and vote the shares yourself at the meeting. As of the record date, there were 50,369,712 shares of MONY common stock issued and outstanding, which were held by approximately 510,226 stockholders of record.

*Procedure for Voting.* You can vote your shares of MONY common stock by:

completing, signing, dating and mailing the enclosed proxy card;

voting by proxy by telephone or via the Internet as described in the enclosed proxy card or voting instruction form; or

attending the special meeting and voting in person.

*Procedure for Revoking your Proxy.* You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either advise the Corporate Secretary of MONY in writing, deliver a proxy dated after the date of the proxy you wish to revoke, submit a later dated instruction by telephone or via the Internet or attend the special meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy. If you have instructed a broker, bank or other nominee to vote your shares of MONY common stock, you must follow the directions received from the broker, bank or other nominee to change your instructions.

If your shares of MONY common stock are held in street name by your broker, you should instruct your broker to vote your shares by following the instructions provided by your broker. Remember, if you fail to instruct your broker to vote your shares, it has the same effect as a vote AGAINST adoption of the merger agreement. See The Special Meeting of MONY Stockholders.

## **Dissenters' Rights of Appraisal (page 70)**

Delaware law provides stockholders with appraisal rights in the event the merger is consummated. This means that you are entitled to have the value of your shares of MONY common stock independently determined by the Delaware Court of Chancery, exclusive of any element of value arising from the accomplishment or expectation of the merger, and to receive payment based on that valuation. The ultimate amount that you receive as a dissenting stockholder in an appraisal proceeding may be more than, less than or the same as the amount you would have received in the merger. To exercise your appraisal rights, you must deliver a written demand for appraisal to MONY before the vote of MONY stockholders at the special meeting on February 24, 2004, and you must not vote in favor of adoption of the merger agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. After 60 days following the effective date of the merger, any demand for appraisal will become irrevocable and absent consent from the surviving corporation, any MONY stockholder who has made a demand for appraisal will no longer be entitled to receive the \$31.00 per share of MONY common stock provided for in the merger agreement; instead, he or she will receive the fair value of the shares, as determined by the Delaware Court of Chancery, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, as determined by the

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Delaware Court of Chancery. As of January 8, 2004, MONY has received written demands for appraisal from stockholders purporting to represent 5,786,319 shares of MONY common stock, which, as of January 2, 2004, represents approximately 11.5%

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of the outstanding shares of MONY common stock. See Dissenters Rights of Appraisal.

### **Litigation Relating to the Merger (page 49)**

Ten substantially similar putative class action lawsuits relating to the proposed merger have been filed against MONY, its directors, AXA Financial, Inc. and AIMA Acquisition Co. in the Delaware Court of Chancery. The court has since consolidated these actions and the plaintiffs have filed a consolidated amended complaint. In addition, MONY, its directors and AXA Financial have been named in two putative class action lawsuits relating to the proposed merger filed in New York State Supreme Court in Manhattan. The complaints in these actions, all of which purport to be brought as class actions on behalf of all MONY stockholders, excluding the defendants and their affiliates, allege that the \$31.00 cash price per share of MONY common stock to be paid to MONY stockholders in connection with the proposed merger is inadequate and that MONY's directors breached their fiduciary duties to holders of MONY common stock in negotiating and approving the merger agreement and, in the case of the Delaware complaint, in disseminating incomplete and inaccurate information regarding the proposed merger. The complaints also allege that AXA Financial and AIMA aided and abetted the alleged breaches of fiduciary duty by MONY and its directors. The complaints seek various forms of relief, including damages and injunctive relief that would, if granted, prevent completion of the merger. MONY has answered each of the complaints, denied the material allegations thereof and intends to defend the actions vigorously. See Litigation Relating to the Merger.

### **MONY Stock Price (page 67)**

Shares of MONY common stock are listed on the New York Stock Exchange under the symbol MNY. On September 17, 2003, which was the last trading day before announcement of the merger, the closing share price of MONY common stock was \$29.33. The average closing stock price of MONY common stock over the one-year period ended September 17, 2003 was \$24.74 per share. See Market Price of MONY Common Stock.

### **When the Merger will be Completed (page 53)**

We are working to complete the merger as quickly as possible. While we anticipate completing the merger in the second quarter of 2004, the closing of the merger could occur earlier or later because the merger is subject to receipt of stockholder approval and satisfaction of other closing conditions, including the conditions described immediately below. See The Merger Agreement Effective Time of the Merger.

### **Conditions to Completing the Merger (page 62)**

AXA Financial and MONY's obligation to complete the merger depends upon a number of conditions being satisfied, including the following:

adoption of the merger agreement by the holders of at least a majority of the issued and outstanding shares of MONY common stock;

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approval of governmental and other authorities required for the merger, including, among other things, the approval of the insurance regulatory authorities of the states of Arizona, New York and Ohio, and such approval of the Banking Commissioner for the State of Connecticut as may be required by applicable law;

approval of the Office of Thrift Supervision for the indirect acquisition by AXA Financial of Advest Trust Company, an indirect subsidiary of MONY, and the simultaneous merger of Advest Trust Company into Frontier Trust Company, FSB, a subsidiary of AXA Financial; and

the absence of any legal restraint blocking the merger.

In addition, AXA Financial's obligation to complete the merger is subject to a number of additional conditions, including the following:

the absence of a material adverse effect on MONY (as defined in the merger agreement);

stockholder approval of new investment advisory contracts and sub-advisory contracts from investment companies registered under the Investment Company Act of 1940 for which a subsidiary of MONY acts as an investment advisor or subadvisor, representing in the aggregate at least 80% of the total assets of all such investment companies;

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receipt of written confirmation or other written guidance from the Office of Thrift Supervision, reasonably satisfactory to AXA Financial, that the merger of Advest Trust Company and Frontier Trust Company will not adversely affect the existing status of AXA Financial under Section 10(c)(9)(C) of the Home Owners' Loan Act; and

appraisal rights not being perfected by holders of more than 10% of the issued and outstanding shares of MONY common stock prior to the merger.

Either MONY or AXA Financial could choose to waive a condition to its obligation to complete the merger if the law permits even though that condition has not been satisfied. See "The Merger Agreement - Conditions to Consummation of the Merger."

## **Termination of the Merger Agreement and Termination Fee (pages 65 and 66)**

MONY and AXA Financial can mutually agree at any time to terminate the merger agreement without completing the merger, even if the stockholders of MONY have adopted the merger agreement. Also, under certain circumstances either MONY or AXA Financial can decide, without the consent of the other party, to terminate the merger agreement prior to the closing of the merger, even if the stockholders of MONY have adopted the merger agreement. See "The Merger Agreement - Termination."

MONY will be required to pay a termination fee of \$50 million to AXA Financial if, among other things, MONY's board of directors fails to recommend stockholder approval of the merger agreement, withdraws its recommendation or modifies or changes its recommendation in a manner adverse to the interests of AXA Financial or if MONY or its board of directors recommends that MONY stockholders approve any acquisition proposal other than the merger. See "The Merger Agreement - Termination Fee."

## **Interests of Directors and Executive Officers in the Merger (page 41)**

Some directors and officers of MONY have interests in the merger that are different from, or are in addition to, their interests as stockholders in MONY. MONY's board of directors considered these additional interests when the MONY board of directors approved the merger agreement. See "The Merger - Interests of MONY's Directors and Executive Officers in the Merger."

## **Director and Executive Officer Voting (page 16)**

As of December 29, 2003, approximately 3.1% of the issued and outstanding shares of MONY common stock were held by directors and executive officers of MONY and their affiliates. MONY has been advised by its directors and executive officers that they intend to vote all of their shares of MONY common stock in favor of the proposal to adopt the merger agreement. See "The Special Meeting of MONY Stockholders - Director and Executive Officer Voting" and "Security Ownership - Security Ownership of Directors and Executive Officers."

## **AXA Financial Voting (page 16)**

On December 2, 2003, AXA Financial acquired warrants from affiliates of Goldman, Sachs & Co. to purchase a number of newly issued shares of MONY common stock equivalent to approximately 4.4% of the issued and outstanding shares of MONY common stock. The warrants had originally been issued to affiliates of Goldman, Sachs & Co. in 1998. AXA Financial exercised the warrants on December 29, 2003, and has publicly announced that it intends to vote the shares issued upon exercise of the warrants in favor of adopting the merger agreement.

**Procedure for Receiving Merger Consideration (page 54)**

AXA Financial will appoint a paying agent to coordinate the payment of the cash merger consideration following the merger. If you hold certificates representing shares of MONY common stock, the paying agent will send you written instructions for surrendering your certificates representing shares of MONY common stock and obtaining the cash merger consideration promptly after we have completed the merger. Do not send in your certificates representing shares of MONY common stock now. If you hold your shares of MONY common stock in book-entry form that is, without a stock certificate you do not need to do



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anything to receive payment for your shares of MONY common stock. Following completion of the merger, the paying agent will automatically mail you the merger consideration in exchange for the cancellation of your shares of MONY common stock, provided that you comply with applicable tax certification requirements. See The Merger Agreement Exchange Procedures.

**Payment of Dividends to MONY Stockholders (page 58)**

Pursuant to the merger agreement, at any time after January 1, 2004, MONY can set a record date for, and declare and pay, a dividend to its stockholders out of specified components of its earnings for the last six months of 2003, up to a maximum dividend of \$0.45 per share of MONY common stock. Accordingly, MONY may or may not be able to pay a dividend to its stockholders, depending on its financial results for the last six months of 2003. MONY's preliminary estimate of adjusted net earnings for the third quarter of 2003, from which dividends may be paid under the merger agreement, is approximately \$0.08 per share of MONY common stock. However, the exact amount of adjusted net earnings from which dividends may be paid under the merger agreement is subject to review by independent auditors under agreed upon procedures. In addition, the final adjusted net earnings from which dividends may be paid may be higher or lower depending on MONY's adjusted net earnings in the fourth quarter of 2003. There is a substantial risk that the MONY stockholders may receive little or no dividend. See The Merger Agreement Dividend from Adjusted Net Earnings.

**Questions**

If, after reading this proxy statement, you have additional questions about the merger or other matters discussed in this proxy statement, need additional copies of this proxy statement or require assistance with voting your shares of MONY common stock, please call:

**D. F. King & Co., Inc.**

**48 Wall Street**

**New York, New York 10005**

**Toll-Free: (800) 488-8075**

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION**

This proxy statement, and the documents to which we refer to in this proxy statement, contain forward-looking statements concerning the operations, economic performance, prospects and financial condition of MONY, as well as information relating to the merger. Forward-looking statements include, among other things, discussions concerning MONY's potential exposure to market risks, as well as statements expressing expectations, beliefs, estimates, forecasts, projections and assumptions. MONY claims the protection afforded by the safe harbor for forward-looking statements as set forth in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to many risks and uncertainties. Actual results could be materially better or worse than those anticipated by forward-looking statements due to a number of important factors including, but not limited to, the following:

the financial performance of MONY through the completion of the merger;

satisfaction of the closing conditions set forth in the merger agreement, including the approval of MONY stockholders and regulatory approvals;

a significant delay in the expected completion of the merger;

MONY could experience losses, including venture capital losses;

MONY could be subjected to downgrades by ratings agencies of MONY's senior debt ratings and the claims-paying and financial-strength ratings of MONY's insurance subsidiaries;

MONY could be required to take a goodwill impairment charge relating to its investment in The Advest Group, Inc. if the market deteriorates;

MONY could have to accelerate amortization of deferred policy acquisition costs if market conditions deteriorate;

MONY may be required to recognize in its earnings other than temporary impairment charges on its investments in fixed maturity and equity securities held by it;

MONY could have to write off investments in certain securities if the issuers' financial condition deteriorates;

actual death-claim experience could differ from MONY's mortality assumptions;

MONY could have liability from as-yet-unknown litigation and claims;

larger settlements or judgments than MONY anticipates could result in pending cases due to unforeseen developments; and

changes in laws, including tax laws, could affect the demand for MONY's products.

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MONY does not undertake to update or revise any forward-looking statements, which speak only as of the date they were made, whether as a result of new information, future events or otherwise.

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**THE PARTIES TO THE MERGER**

**The MONY Group Inc.**

MONY is a Delaware corporation with its executive offices located at 1740 Broadway, New York, New York 10019. Its telephone number is (212) 708-2000. MONY, with approximately \$55 billion in assets under management and administration as of September 30, 2003, is a financial services firm that manages a portfolio of member companies. These companies include MONY Life Insurance Company, MONY Life of America, The Advest Group, Inc., Enterprise Capital Management, Inc., Matrix Capital Markets Group, Inc., Advest, Inc., and U.S. Financial Life Insurance Company. These companies manufacture and distribute protection, asset accumulation, brokerage and advisory products and services to individuals, corporations and institutions through retail and wholesale distribution channels. MONY's common stock is traded on the New York Stock Exchange under the symbol MNY.

**AXA Financial, Inc.**

AXA Financial, Inc. is a Delaware corporation with its executive offices located at 1290 Avenue of the Americas, New York, New York 10104. Its telephone number is (212) 554-1234. AXA Financial is a diversified financial services organization offering a broad spectrum of financial advisory, insurance and investment management products and services. It is one of the world's largest asset managers, with total assets under management of approximately \$472.2 billion at September 30, 2003. AXA Financial's financial advisory and insurance product businesses are conducted principally by its wholly owned life insurance subsidiary, The Equitable Life Assurance Society of the United States, its insurance general agency, AXA Network, LLC, and its broker dealers, AXA Advisors, LLC and AXA Distributors, LLC. Equitable Life, which was established in the State of New York in 1859, is among the largest life insurance companies in the United States. AXA Financial's investment management and related services business is conducted by Alliance Capital Management L.P.

**AIMA Acquisition Co.**

AIMA Acquisition Co. is a Delaware corporation with its executive offices located at 1290 Avenue of the Americas, New York, New York 10104 c/o AXA Financial, Inc. Its telephone number is (212) 554-1234. AIMA is a wholly owned subsidiary of AXA Financial. AIMA was formed solely for the purpose of facilitating the merger.

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETING**

The following questions and answers are provided for your convenience and briefly address some commonly asked questions about the proposed merger and the special meeting of MONY stockholders. You should carefully read this entire proxy statement, including each of the annexes attached to this proxy statement.

**Q: Why am I receiving this proxy statement and proxy card?**

A: You are receiving this proxy statement and proxy card because, as of January 2, 2004, the record date for the special meeting, you owned shares of MONY common stock. This proxy statement describes the issues on which we would like you, as a stockholder, to vote. It also provides you with the important information about these issues to enable you to make an informed decision as to whether or not to vote your shares of MONY common stock for the merger.

**Q: When and where is the special meeting of stockholders?**

A: The special meeting of stockholders will be held on Tuesday, February 24, 2004, at 9:30 a.m. local time, at the New York Marriott Marquis hotel, 1535 Broadway, New York, New York.

**Q: What am I being asked to vote on?**

A: You are being asked to consider and adopt the merger agreement, pursuant to which AXA Financial will acquire MONY through the merger of a wholly owned subsidiary of AXA Financial, AIMA, with and into MONY. After the merger, MONY will become a wholly owned subsidiary of AXA Financial. In addition, in the event that there are not sufficient votes to adopt the merger agreement at the special meeting, you are being asked to consider and approve any proposal which might be made to postpone or adjourn the special meeting in order to solicit additional votes in favor of adoption of the merger agreement. You are also being asked to vote on a stockholder proposal, if presented at the special meeting, as described under the heading "Stockholder Proposal."

**Q: Who is entitled to vote at the special meeting of stockholders?**

A: Holders of record of MONY common stock as of the close of business on January 2, 2004 are entitled to vote on the merger agreement.

**Q: What stockholder approval is required to adopt the merger agreement?**

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A: A quorum is necessary to hold the special meeting. Pursuant to MONY's amended and restated by-laws, holders of at least one-third of the issued and outstanding shares of MONY common stock entitled to be cast as of the record date, represented in person or by proxy, will constitute a quorum for purposes of the special meeting. Based upon the number of shares of MONY common stock outstanding as of the record date, 16,789,904 shares of MONY common stock must be present, in person or by proxy, at the special meeting to constitute a quorum. The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote for adoption of the merger agreement.

**Q: What stockholder approval or other action is required to adjourn the special meeting?**

A: If the special meeting cannot be convened because a quorum is not in attendance, stockholders representing a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting may adjourn or, in the absence of a decision by a majority, any officer of MONY entitled to preside at the special meeting may adjourn, the special meeting to a date not more than 30 days after the date of the special meeting. In the event that a quorum is present at the special meeting but there is not a sufficient number of votes to adopt the merger agreement, the special meeting may be adjourned for the purpose of soliciting additional votes in favor of adoption of the merger agreement by the affirmative vote of stockholders representing a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting and entitled to vote thereon.

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**Q: Does MONY's board of directors recommend the adoption of the merger agreement?**

A: Yes. MONY's board of directors unanimously recommends that MONY stockholders vote FOR adoption of the merger agreement. MONY's board of directors considered many factors in deciding to recommend adoption of the merger agreement, including, among other things, the consideration of \$31.00 per share in cash to be paid in the proposed merger, the environment in which MONY operates and its impact on MONY's opportunities as a stand-alone entity or to consummate an alternative strategic transaction in the future, the strategic alternatives currently available to MONY and MONY's financial condition, results of operations and business and earnings prospects. The \$31.00 cash per share merger consideration represents a premium of approximately 5.69% to the closing price of MONY common stock on September 17, 2003 and approximately 25.30% to the average daily closing price of MONY common stock over the one-year period ended September 17, 2003.

**Q: What will MONY stockholders receive in the merger?**

A: In the merger, each issued and outstanding share of MONY common stock will be converted into the right to receive \$31.00 in cash, without interest and less any required withholding tax, unless you perfect and exercise your appraisal rights as set forth below.

**Q: Am I entitled to appraisal rights?**

A: Yes. Under Delaware law, if the merger is completed and you do not vote in favor of adopting the merger agreement, you have the right to seek appraisal of the fair value of your shares of MONY common stock, as determined by the Delaware Court of Chancery, exclusive of any element of value arising from the accomplishment or expectation of the merger, but only if you deliver a written demand for an appraisal before the vote on the merger agreement and comply with the applicable Delaware law procedures. A demand for appraisal becomes irrevocable 60 days after the effective time of the merger. Once that happens, absent the consent of the surviving corporation, any stockholder who has made a demand for appraisal rights will no longer be entitled to receive the merger consideration of \$31.00 in cash per share of MONY common stock. Instead, these stockholders will receive the fair value, as determined by the Delaware Court of Chancery, of his or her shares of MONY common stock, exclusive of any element of value arising from the accomplishment or expectation of the merger, together with a fair rate of interest, also as determined by the Delaware Court of Chancery. The amount awarded by the Delaware Court of Chancery could be greater than, less than or equal to \$31.00 per share of MONY common stock. AXA Financial will not be obligated to complete the merger if appraisal rights are perfected by holders of more than 10% of the issued and outstanding shares of MONY common stock as of immediately prior to the merger. AXA Financial has the right, in its sole discretion, to waive this condition and complete the merger.

**Q: What will happen to outstanding and unexercised stock options?**

A: In the merger, each issued and outstanding unexercised stock option, whether vested or unvested, to acquire MONY common stock will be cancelled and converted into the right to receive for each share covered by the stock option the excess, if any, of \$31.00 over the per share exercise price of the stock option, without interest, and net of applicable withholding taxes. Each issued and outstanding unexercised stock option with a per share exercise price of \$31.00 or more will be canceled without payment.

**Q: Can I exercise my outstanding stock options in order to vote the underlying shares of MONY common stock at the special meeting?**

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A: Holders of vested options to acquire shares of MONY common stock may, pursuant to the terms of the options, exercise the options in exchange for shares of MONY common stock. Shares of MONY common stock received upon the exercise of options may be voted at the special meeting if the shares of MONY common stock are held of record as of the close of business on January 2, 2004, the record date for the special meeting. Depending on the method of exercise, the process of exercising options may take several days. Therefore, if you would like to exercise options before the record date in order to vote such shares of MONY common stock at the special meeting you should do so sufficiently before the record date so as to ensure that you hold the shares issuable upon exercise of the options on the record date.



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**Q: What will happen to outstanding shares of restricted MONY common stock?**

A: Some of the officers and directors of MONY hold restricted stock awards. Immediately prior to completion of the merger, each share of restricted stock whether vested or unvested will be converted into the right to receive \$31.00 per share.

**Q: Will MONY continue to pay dividends on my shares of MONY common stock pending completion of the merger?**

A: The merger agreement provides that at any time after January 1, 2004, MONY can set a record date for, and declare and pay, a dividend to its stockholders out of specified components of its earnings for the last six months of 2003, up to a maximum dividend of \$0.45 per share of MONY common stock. Accordingly, MONY may or may not be able to pay a dividend to its stockholders, depending on its financial results for the last six months of 2003. MONY's preliminary estimate of adjusted earnings for the third quarter of 2003, from which dividends may be paid under the merger agreement, is approximately \$0.08 per share of MONY common stock. However, the exact amount of adjusted earnings from which dividends may be paid under the merger agreement is subject to review by independent auditors under agreed upon procedures. In addition, the final adjusted earnings from which dividends may be paid may be higher or lower depending on MONY's adjusted earnings in the fourth quarter of 2003. There is a substantial risk that the MONY stockholders may receive little or no dividend.

**Q: What will happen to my shares of MONY common stock after the merger?**

A: Following consummation of the merger, your shares of MONY common stock will represent solely the right to receive the merger consideration of \$31.00 per share in cash, without interest and less any required withholding tax, unless you perfect your appraisal rights. In addition, upon consummation of the merger, trading in MONY common stock on the New York Stock Exchange will cease and price quotations for MONY common stock will no longer be available.

**Q: Does AXA Financial have the financial resources to pay the aggregate merger consideration?**

A: The aggregate consideration payable to MONY's stockholders and option and warrant holders in the merger is approximately \$1.5 billion. AXA Financial has represented to us that, as of the closing of the merger, AXA Financial will have available cash sufficient to enable it to pay the aggregate merger consideration. In addition, AXA Financial also has advised us that it expects to obtain these funds from its parent, AXA. There is no financing condition to the consummation of the merger.

**Q: What are the U.S. federal income tax consequences of the transaction?**

A: The conversion of shares into cash pursuant to the merger is a taxable transaction for U.S. federal income tax purposes and may also be a taxable transaction under applicable state, local or foreign tax laws. You should consult your own tax advisor about the particular tax consequences of the merger to you.

**Q: When will the merger be completed and when will payment be received?**

A: We are working toward completing the merger as quickly as possible and we believe that the merger will be completed by the end of the second quarter of 2004. However, the closing of the merger could occur earlier or later than the second quarter of 2004 because the completion of the merger is contingent on the satisfaction of a number of closing conditions, including the approval of MONY stockholders as described in this proxy statement and the approval of regulatory authorities, including applicable insurance and banking regulatory authorities. The effective time of the merger will occur on the third business day following the satisfaction or waiver of the conditions to the merger contained in the merger agreement or on such other date as MONY and AXA Financial may otherwise agree.

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**Q: What if the merger is not completed?**

A: It is possible that the merger will not be completed. That might happen if, for example, our stockholders do not approve the merger agreement. If that occurs, neither AXA Financial, AIMA nor any third party is under any obligation to make or consider any alternative proposals regarding the purchase of the shares of MONY common stock. Under some circumstances, a termination fee of \$50 million would be payable to AXA Financial by MONY if the merger is not completed.

**Q: What do I need to do now?**

A: We urge you to read this proxy statement carefully, including its annexes, and consider how the merger affects you. Then simply mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope provided. Should you prefer, you may cast your vote by proxy by telephone or via the Internet in accordance with the instructions on the enclosed proxy card or the voting instruction form received from any broker, bank or other nominee that may hold shares of MONY common stock on your behalf. Please act as soon as possible so that your shares of MONY common stock can be voted at the special meeting.

**Q: What happens if I do not return a proxy card or otherwise vote by proxy?**

A: If you fail to return your proxy card or cast your vote by proxy by using the telephone or the Internet and you do not vote in person at the special meeting, it will have the same effect as voting against the merger. You are urged to act promptly in returning your proxy.

**Q: May I attend the meeting and vote in person?**

A: Yes. You may vote in person by ballot at the special meeting if you own shares of MONY common stock registered in your own name. If you bring a legal proxy from your broker, bank or other nominee and present it at the special meeting, you also may vote in person at the special meeting if your shares of MONY common stock are held in street name through a broker, bank or other nominee. You should contact the person responsible for your account to make such arrangements. Please note that stockholders may be asked to present photo identification for admittance to the special meeting.

**Q: May I change my vote after I have mailed my signed proxy card or otherwise voted by proxy?**

A: Yes. You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either advise the Corporate Secretary of MONY in writing, deliver a proxy card dated after the date of the proxy you wish to revoke, submit a later dated proxy instruction by telephone or via the Internet or attend the special meeting and vote your shares of MONY common stock in person. Merely attending the special meeting will not constitute revocation of your proxy. If you have instructed a broker, bank or other nominee to vote your shares, you must follow the directions received from the broker, bank or other nominee to change your instructions.

**Q: If my shares are held in street name by my broker, banker or nominee will my broker vote my shares for me?**

A: Your broker, banker or nominee will not vote your shares of MONY common stock without specific instructions from you. You should instruct your broker, banker or nominee to vote your shares of MONY common stock by following the instructions provided to you by such firm. You should also contact the person responsible for your account to make certain that your shares of MONY common stock are voted. Without instructions, your shares of MONY common stock will not be voted, which will have the effect of a vote against the merger. Please make certain to return your proxy card for each separate account you maintain to ensure that all of your shares of MONY common stock are voted.

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**Q: Who is soliciting my proxy?**

A: The board of directors of MONY is soliciting your proxy. Directors, officers and other employees of MONY may participate in soliciting proxies by mail, telephone, facsimile, personal interview or e-mail. In addition, D. F. King & Co., Inc. is aiding MONY in the solicitation of proxies.

**Q: Should I send in my stock certificates now?**

A: No. If you hold certificates representing shares of MONY common stock, detailed instructions with regard to the surrender of your certificates representing shares of MONY common stock, together with a letter of transmittal, will be mailed to you promptly following completion of the merger. You should not submit your certificates representing shares of MONY common stock to MONY or the paying agent until you have received these materials. The paying agent will send payment for your shares of MONY common stock promptly after the paying agent receives your certificates representing shares of MONY common stock and other required documents.

**Q: How do I receive the merger consideration if I own shares of MONY common stock in book-entry form?**

A: If you hold your shares of MONY common stock in book-entry form that is, without a stock certificate you do not need to do anything to receive payment for your shares of MONY common stock. Following completion of the merger, the paying agent will automatically mail you the merger consideration in exchange for the cancellation of your shares of MONY common stock, provided that you comply with applicable tax certification requirements.

**Q: Where can I learn more about MONY?**

A: MONY files annual, quarterly and current reports, proxy statements and other information with the U.S. Securities and Exchange Commission. You may read and copy any reports, statements or other information that MONY files with the SEC at the SEC's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. These SEC filings are also available to the public at the Internet site maintained by the SEC at <http://www.sec.gov>.

**Q: Whom should I contact if I have questions?**

A: If you would like additional copies, without charge, of this proxy statement or if you have questions about the merger, including the procedures for voting your shares, you should contact D. F. King & Co., Inc., which is assisting us in the solicitation of proxies, as follows:

**D. F. King & Co., Inc.**

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**48 Wall Street**

**New York, New York 10005**

**Toll-Free: (800) 488-8075**

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**THE SPECIAL MEETING OF MONY STOCKHOLDERS**

**Time, Place and Purpose of the Special Meeting**

The special meeting of MONY stockholders will be held on Tuesday, February 24, 2004, at 9:30 a.m. local time, at the New York Marriott Marquis hotel, 1535 Broadway, New York, New York. The purpose of the special meeting is to consider and vote on the proposal to adopt the merger agreement and, in the event that there are not sufficient votes for approval of the proposal to adopt the merger agreement at the special meeting, to consider and vote upon any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adoption of the merger agreement. You are also being asked to consider and vote on the stockholder proposal, if presented at the special meeting.

MONY's board of directors, by unanimous vote and after careful consideration, (i) has approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) has determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders, (iii) recommends that MONY stockholders vote FOR adoption of the merger agreement and (iv) recommends that MONY stockholders vote FOR any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adopting the merger agreement in the event that there are insufficient votes to adopt the merger agreement at the special meeting.

The MONY board of directors, by unanimous vote and after careful consideration, recommends that MONY stockholders vote AGAINST approval of the stockholder proposal, if presented at the special meeting.

**Who Can Vote at the Special Meeting**

The holders of record of MONY common stock as of the close of business on January 2, 2004, which is the record date for the special meeting, are entitled to receive notice of and to vote at the special meeting. If you own shares of MONY common stock that are registered in someone else's name, for example, a broker, you need to direct that person to vote those shares or obtain an authorization from them and vote the shares yourself at the meeting. On the record date, there were 50,369,712 shares of MONY common stock issued and outstanding held by approximately 510,226 stockholders of record.

**Quorum; Vote Required**

A quorum is necessary to hold the special meeting. Pursuant to MONY's amended and restated by-laws, which were last amended in 1999, holders of at least one-third of the issued and outstanding shares of MONY common stock entitled to be cast as of the record date, represented in person or by proxy, will constitute a quorum for purposes of the special meeting. Based upon the number of shares of MONY common stock outstanding as of the record date, 16,789,904 shares of MONY common stock must be present, in person or by proxy, at the special meeting to constitute a quorum. Once a share is represented at the special meeting, it will be counted for the purpose of determining a quorum, unless the holder is present solely to object to the special meeting. However, if a new record date is set for an adjourned meeting, then a new quorum will have to be established. Each share of MONY common stock is entitled to one vote.

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The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote for adoption of the merger agreement. An abstention or the failure to vote your proxy by telephone or via the Internet, or to return a properly executed proxy card or to vote in person will have the same effect as a vote **AGAINST** adoption of the merger agreement.

Pursuant to MONY's amended and restated by-laws, if the special meeting cannot be convened because a quorum is not in attendance, stockholders representing a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting may adjourn or, in the absence of a decision by a majority, any officer of MONY entitled to preside at the special meeting may adjourn, the special meeting to a date not more than 30 days after the date of the special meeting. In the event that a quorum is present at the special meeting, but



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there is not a sufficient number of votes to adopt the merger agreement, the special meeting may be adjourned for the purpose of soliciting additional votes by the affirmative vote of stockholders representing a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting and entitled to vote thereon. Shares of MONY common stock that are not voted in person or by proxy will not be counted for making the determination whether to adjourn the special meeting and, therefore, will have no impact on the outcome of the vote as to adjourning the special meeting. An abstention will have the same effect as a vote AGAINST any proposal to adjourn the special meeting.

The adoption of the stockholder proposal, if presented at the special meeting, requires the affirmative vote of stockholders representing a majority of the shares of MONY common stock present, in person or by proxy, at the special meeting and entitled to vote thereon. Shares of MONY common stock that are not voted in person or by proxy will not be counted for making the determination whether to approve the stockholder proposal and, therefore, will have no impact on the outcome of the vote as to the stockholder proposal. An abstention will have the same effect as a vote AGAINST the stockholder proposal.

Under the rules of the New York Stock Exchange, brokers who hold shares in street name for customers have the authority to vote on routine proposals when they have not received instructions from beneficial owners. However, brokers are precluded from exercising their voting discretion with respect to approval of non-routine matters, such as adoption of the merger agreement, adjournment of the special meeting for the purpose of soliciting additional votes in favor of adoption of the merger agreement or the stockholder proposal. As a result, absent specific instructions from the beneficial owner of such shares, brokers are not entitled to vote those shares, referred to generally as broker non-votes. Although broker non-votes will be treated as shares that are present at the special meeting for purposes of determining whether a quorum exists, broker non-votes will not be treated as shares present at the special meeting and entitled to vote on a proposal. Therefore, broker non-votes will have no impact on the outcome of the vote as to adjourning the special meeting or the stockholder proposal, if presented at the special meeting. However, because the adoption of the merger agreement requires the affirmative vote of the holders of a majority of the issued and outstanding shares of MONY common stock entitled to vote for adoption of the merger agreement regardless of whether such shares are present at the special meeting, broker non-votes will have the same effect as votes AGAINST adoption of the merger agreement.

## **Director and Executive Officer Voting**

As of December 29, 2003, approximately 3.1% of the issued and outstanding shares of MONY common stock was held by directors and executive officers of MONY and their affiliates. MONY has been advised by its directors and executive officers that they intend to vote all of their shares in favor of the proposal to adopt the merger agreement. See Security Ownership Security Ownership of Directors and Executive Officers.

## **AXA Financial Voting**

On December 2, 2003, AXA Financial acquired warrants from affiliates of Goldman, Sachs & Co. to purchase a number of newly issued shares of MONY common stock equivalent to approximately 4.4% of the issued and outstanding shares of MONY common stock. The warrants had originally been issued to affiliates of Goldman, Sachs & Co. in 1998. AXA Financial exercised the warrants on December 29, 2003, and has publicly announced that it intends to vote the shares issued upon exercise of the warrants in favor of adopting the merger agreement.

## **Voting by Proxy**

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This proxy statement is being sent to you on behalf of the MONY board of directors for the purpose of requesting that you allow your shares of MONY common stock to be represented and voted at the special meeting or any adjournment thereof by the persons named in the enclosed proxy card. All shares of MONY common stock represented at the meeting by proxies voted by telephone or via the Internet or by properly executed proxy cards will be voted in accordance with the instructions indicated on that proxy. If you submit a

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proxy by telephone or via the Internet or by signing and returning a proxy card without giving voting instructions, your shares will be voted **FOR** the adoption of the merger agreement, **FOR** the proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adopting the merger agreement in the event that there are insufficient votes to adopt the merger agreement at the special meeting and **AGAINST** approval of the stockholder proposal, if presented at the special meeting. **The board recommends a vote (i) FOR adoption of the merger agreement, (ii) FOR any proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adopting the merger agreement in the event that there are insufficient votes to adopt the merger agreement at the special meeting and (iii) AGAINST approval of the stockholder proposal, if presented at the special meeting.**

The persons named in the proxy card will use their own judgment to determine how to vote your shares of MONY common stock regarding any matters not described in this proxy statement that are properly presented at the special meeting or any adjournment thereof or which are incident to the conduct of the special meeting or any adjournment thereof. MONY does not know of any matter to be presented at the meeting or any adjournment thereof other than the proposal to adopt the merger agreement, the stockholder proposal, if presented at the special meeting and, in the event there are not sufficient votes to approve the merger agreement at the special meeting, a possible proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of the merger agreement.

You may revoke your proxy at any time before the vote is taken at the special meeting. To revoke your proxy, you must either advise the Corporate Secretary of MONY in writing, deliver a proxy dated after the date of the proxy you wish to revoke, submit a later dated proxy instruction by telephone or via the Internet or attend the special meeting and vote your shares in person. Merely attending the special meeting will not constitute revocation of your proxy.

If your shares of MONY common stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow to have your shares voted. Your broker or bank may allow you to deliver your voting instructions by telephone or via the Internet.

MONY will pay the cost of this proxy solicitation. Directors, officers and other employees of MONY may participate in soliciting proxies by mail, telephone, facsimile, personal interview or e-mail. None of these persons will receive additional or special compensation for soliciting proxies. MONY will, upon request, reimburse brokers, banks and other nominees for their expenses in sending proxy materials to their customers who are beneficial owners and obtaining their voting instructions. MONY has engaged D. F. King & Co., Inc. to assist in the solicitation of proxies for the special meeting and will pay D. F. King & Co., Inc. a fee estimated not to exceed \$300,000 plus reimbursement of expenses.

## **Voting of MONY Common Stock in MONY Life and Advest Defined Contribution Retirement/Profit Sharing Plans**

MONY Life maintains two tax-qualified defined contribution retirement/profit sharing plans that hold interests in MONY common stock the Investment Plan Supplement for Employees and Field Underwriters of MONY Life and the Retirement Plan for Field Underwriters of MONY Life. In addition, Advest maintains a tax-qualified defined contribution retirement/profit sharing plan that holds an interest in MONY common stock the Advest Thrift Plan. Under these plans, the participants are allocated unitized interests equivalent, in the aggregate, to the total number of shares of MONY common stock held under the plans. The trustee of the MONY Life plans is the Benefits Committee of the MONY Life board of directors. The trustee of the Advest Thrift Plan is the Prudential Trust Company. The plans provide that the trustee votes the shares of MONY common stock held under the plans. However, participants in the plans have the right to direct the trustee as to how to vote the number of shares of MONY common stock equivalent to their proportionate interests under the plans. To the extent that participants do not instruct the trustee as to how to vote such shares of MONY common stock, the trustee will, under the terms of the plans, vote the shares of MONY common stock for which participants' directions were not received in the manner directed by an independent third-party fiduciary retained specifically



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for this purpose. U.S. Trust Company has been appointed as the independent third-party fiduciary. If you have an interest under the plans, you will be receiving voting instructions from U.S. Trust Company that inform you of the procedures for instructing the trustee as to the voting of the shares represented by your unitized interest in the MONY common stock held under the plans. MONY will pay U.S. Trust Company a fee of approximately \$225,000 plus reimbursement of certain expenses for its services.

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**THE MERGER**

The following discussion summarizes the material terms of the merger. While we believe that the description covers the material terms of the merger, this summary may not contain all of the information that is important to you. We urge stockholders to read this proxy statement, the merger agreement and the other documents referred to herein carefully for a more complete understanding of the merger.

**Background of the Merger**

Since MONY's demutualization in 1998, MONY's policy has been to meet confidentially with qualified third parties to discuss their potential interest in a business combination or other strategic transaction involving MONY. As part of this policy, from time to time, Michael I. Roth, MONY's Chairman and Chief Executive Officer, and other authorized representatives of MONY, as well as, at the direction of Mr. Roth, representatives of certain investment banking firms, including Credit Suisse First Boston, Citigroup Global Markets, Goldman Sachs and JPMorgan Chase, had conversations with other companies to explore those companies' interest in a potential business combination or other strategic transaction involving MONY. Specifically, from 2001 through early April 2003, MONY, either directly, or through its representatives, had conversations with senior representatives, usually chief executive officers, of several nationally and/or internationally recognized companies in the life insurance or financial services industries. These conversations included conversations with three mutual life insurance companies regarding a transaction in which MONY would acquire such company in a sponsored demutualization transaction; four companies in the life insurance or financial services industries regarding a potential merger of equals transaction; and four companies in the life insurance or financial services industries, including AXA Financial, regarding a potential acquisition of MONY. In these conversations, MONY was careful to maintain confidentiality and to proceed in a manner that it believed would maximize stockholder value and not disrupt MONY's business and operations. In particular, MONY was concerned about the potential effect that a leak could have on its sales force and relationships with other distributors.

Mr. Roth periodically apprised MONY's board of directors of these conversations and, in some cases, outlined the potential advantages and disadvantages of a potential business combination or strategic transaction. Most of MONY's conversations with third parties, other than AXA Financial, never progressed beyond an initial meeting. In two cases, not including AXA Financial, MONY provided information regarding its business and operations, including financial information, to a third party in connection with discussions with respect to a business combination or strategic transaction, but these discussions ceased before a definitive offer was made for a business combination or strategic transaction involving MONY. MONY believes that these various conversations ceased for a number of reasons, including (i) in the case of sponsored demutualizations and merger of equals transactions, a desire by the other companies to remain independent, (ii) a lack of a strategic fit, (iii) potential issues regarding integration of the companies, (iv) concerns of the other companies about MONY's low level of earnings, (v) the small size of MONY relative to the other companies and, therefore, the likelihood that the transaction would not make a significant impact on an acquiror and/or (vi) MONY's belief that additional conversations would not lead to an attractive transaction.

In 2001, as a result of the decline in the capital markets, an increase in competition and other factors, MONY's profitability declined precipitously. In response, senior management of MONY took steps to improve MONY's operating results through a variety of measures, including expense reductions. In this regard, from mid-May through mid-September, 2001, two separate groups of senior level managers met frequently and intensively to plan a reorganization of MONY's field force and home office staff, in both New York City and Syracuse, in order to reduce MONY's operating expenses substantially. Among the outcomes of this effort were two major reductions in force in October 2001 and January 2002. As its results for 2002 continued to lag behind MONY's business plan, MONY initiated a third major reduction in force in December 2002 to reduce its expense base further.

Despite these efforts by MONY's senior management to improve MONY's operating results through expense reductions, in late 2002, Fitch and Standard & Poor's, two ratings agencies, each lowered MONY's senior debt credit ratings to BBB+ and MONY Life's financial strength ratings to

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A+. Also in 2002, two other ratings agencies, Moody's and A.M. Best, put MONY Life on negative outlook and lowered their ratings of MONY's senior debt to Baa2 and bbb+ respectively.

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In late 2002, as it became increasingly clear that it would be difficult for MONY to meet its return on equity targets and maintain its senior debt and insurer financial strength ratings, MONY's senior executives consulted with MONY's outside financial advisors regarding potential strategic alternatives available to MONY, including a potential merger or acquisition of MONY.

In November 2002, the MONY board of directors met with management of MONY and Credit Suisse First Boston to review and discuss potential strategic alternatives available to MONY to maximize stockholder value and to mitigate the risks to MONY and its stockholders of continuing to operate as an independent public company. At this meeting, senior management of MONY, including Mr. Roth, Samuel Foti, MONY's President and Chief Operating Officer, Kenneth Levine, MONY's Chief Investment Officer, and Richard Daddario, MONY's Chief Financial Officer, and Credit Suisse First Boston reviewed, and the MONY board of directors considered, among other things, the potential risks and benefits associated with four potential alternative strategies: Remain Independent, Merger of Equals, Sale of MONY, and Focus on Distribution/Outsource Manufacturing. The Focus on Distribution/Outsource Manufacturing strategy involved discontinuation by MONY of the manufacture of all or a substantial portion of its insurance products, which were viewed as not being capable of being efficiently manufactured, and increasing sales of more profitable, competitive products manufactured by third parties. For each potential alternative strategy, the MONY board of directors considered and analyzed MONY's strengths, including its recognized brand name, the upside potential in a more favorable equity market and its diversified focus, on the one hand, and MONY's weaknesses, including its lack of scale, its low quality sources of earnings, its ratings and the potential for further downgrades, on the other hand, in each case, in light of MONY's operating environment. With respect to the Merger of Equals and Sale of MONY alternatives, the board also considered the conversations which had occurred to date with third parties as part of MONY's policy of exploring business combinations or strategic transactions with qualified third parties. At this time, however, the MONY board of directors did not make any specific determinations with respect to any of these potential strategic alternatives. Rather, the MONY board of directors requested that management continue to explore and consider potential strategic alternatives to maximize stockholder value, including those outlined by senior management of MONY and Credit Suisse First Boston at the meeting.

In the fall of 2002, Christopher Condron, President and Chief Executive Officer of AXA Financial, contacted Mr. Roth to arrange a meeting between the two of them. Mr. Condron and Mr. Roth had previously become acquainted earlier in the year at a lunch arranged and attended by Stanley Tulin, AXA Financial's Vice Chairman and Chief Financial Officer. Following Mr. Condron's invitation, he and Mr. Roth met on December 4, 2002. At the meeting, they each generally discussed their respective businesses, including, among other things, the cultural similarities between AXA Financial and MONY, the fact that both companies had been demutualized, the similarities in their retail and wholesale distribution models, and that they are each based in New York. Mr. Condron indicated that such similarities could form the basis for a combination of the two businesses but he neither made a proposal at that time nor indicated that one would be forthcoming.

At a meeting of the board of directors of MONY on January 15, 2003, at which members of MONY's senior management team, including Messrs. Roth, Levine, Daddario, Foti and Bart Schwartz, MONY's General Counsel, were present, Mr. Roth again updated the board of directors on MONY's consideration of various potential strategic alternatives in light of the then-current industry and company-specific trends and circumstances and reported on the discussion that he had had with Mr. Condron on December 4, 2002. Mr. Roth also again reviewed with the MONY board of directors the conversations MONY had had with other companies since the demutualization regarding a potential business combination or strategic transaction involving MONY. Again, the MONY board of directors did not make any specific determinations with respect to any of the potential strategic alternatives other than to instruct Mr. Roth and the MONY senior management team to continue the process of evaluating potential strategic alternatives that might be available to MONY, including a potential transaction with AXA Financial.

At a meeting on January 31, 2003, Mr. Roth and Mr. Condron agreed that it might be in the best interests of their respective companies and stockholders to explore the possibility of a business combination of MONY and AXA Financial.



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Around this time, Mr. Roth had a conversation with Mr. Tulin. They discussed the possibility of an acquisition of MONY by AXA Financial. Mr. Tulin told Mr. Roth that, subject to the satisfactory completion of due diligence and approval of AXA Financial's board of directors, AXA Financial might be prepared to acquire MONY at a price level of approximately \$26.00 per share, representing a premium of approximately 20% over MONY's recent trading prices around the time of such conversation. Mr. Roth stated that, if AXA Financial wanted to make an offer that MONY's board of directors would find compelling at that time, the price would have to be higher.

On February 11, 2003, MONY and AXA Financial executed a confidentiality agreement in connection with their consideration of a potential business combination. At no time did AXA Financial have the exclusive right to negotiate with MONY with respect to a potential business combination. Over the next several months, MONY provided AXA Financial with substantial non-public information relating to the business and operation of MONY and made MONY personnel available to respond to questions that AXA Financial had about MONY's business.

On February 19, 2003, MONY formally engaged Credit Suisse First Boston to continue acting as its financial advisor in connection with MONY's continuing review of strategic alternatives.

At a meeting of Mr. Roth and Mr. Condrón on March 12, 2003, Mr. Condrón informed Mr. Roth that, based on the results of its limited due diligence to date, AXA Financial was interested in continuing to pursue the possibility of a business combination with MONY.

On March 18, 2003, the MONY board of directors gathered for an off-site dinner and reviewed and discussed, among other things, the process of considering the potential strategic alternatives available to MONY. During dinner, it was communicated to Mr. Roth by the independent directors that they believed that the best way to maximize value for MONY's stockholders was to enter into a business combination with a third party, assuming that a satisfactory price could be obtained, rather than to continue to operate MONY as an independent entity. The independent directors based this view on their belief that continuing to operate MONY as an independent company would subject MONY's stockholders to additional financial and operating performance risk and the prospect of further ratings agency downgrades, with the resulting likelihood that the share price of MONY common stock would decline. At the dinner and at a meeting of the MONY board of directors the next day, at which members of MONY's senior management team, including Messrs. Daddario and Schwartz, were present, Mr. Roth reported on his recent conversations with Mr. Condrón and also provided another summary of MONY's conversations with other companies since the demutualization regarding a possible business combination or strategic transaction. Based upon its determination that the best way to maximize value for MONY's stockholders was to enter into a business combination with a third party, the MONY board of directors instructed Mr. Roth and senior management of MONY to continue exploring the discussions with AXA Financial and, if the opportunity arose, other third parties.

On March 31, 2003, Mr. Condrón advised Mr. Roth that, based on its preliminary due diligence to that date, and subject to the approval of AXA Financial's board of directors, AXA Financial would be willing to consider a transaction to acquire MONY for cash, at a price level of as much as \$28.50 per share of MONY common stock. Based on the closing share price for MONY common stock on March 31, 2003 of \$20.90 per share, this price reflected a premium of approximately 29% over the then current market price of MONY common stock.

Between the end of March and late April, 2003, AXA Financial continued to conduct due diligence in order to evaluate MONY's business and operations and to determine the price it might be willing to pay for MONY in a business combination. MONY made senior personnel available to respond to AXA Financial's inquiries and set up a data room containing the documents that AXA Financial had requested. In this regard, on April 13, 2003, Mr. Roth had a telephone conference with Mr. Condrón and Mr. Tulin to discuss, among other things, the employment agreements that provided for change-in-control payments, commonly referred to as the CIC agreements, for senior executives of MONY, which, among other things, provided severance payments and benefits to the executives upon a termination of their employment by MONY without cause or a voluntary termination of employment by the executives for good reason, in either case following a change in control.



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They discussed, in general terms, the potential payments under the CIC agreements and the potential cost to an acquiror of those payments in the event of a business combination with MONY. Mr. Roth told Messrs. Condrón and Tulin that MONY had been working with Ernst & Young LLP to quantify the potential cost of those payments. They agreed that AXA Financial would work with MONY and Ernst & Young LLP to review the calculations, and to consider possible opportunities to reduce the potential cost of the CIC agreements to AXA Financial. During this call, Messrs. Roth, Condrón and Tulin also discussed other potential benefits and savings in a business combination between MONY and AXA Financial, including achieving greater economies of scale and financial synergies.

During April 2003, Mr. Roth had a meeting with the chief executive officer of an internationally recognized company in the life insurance industry regarding the possible sale of MONY to the other company. However, discussions did not progress beyond this preliminary contact because Mr. Roth and the chief executive officer did not believe that there was a good strategic fit between the companies.

On April 15, 2003, Mr. Condrón visited MONY's corporate headquarters in New York City to meet with Mr. Roth and other members of the MONY senior management team, including Messrs. Daddario, Levine, Steven Orluck, MONY's Chief Distribution Officer, Michael Slipowitz, MONY's Chief Actuary, and Evelyn Peos, MONY's Senior Vice President, Life Insurance Division, to discuss generally MONY's business and operations.

On April 22, 2003, Mr. Roth met with Henri de Castries, Chairman of the Management Board of AXA and Chairman of the Board of AXA Financial, and Mr. Condrón. At this meeting, Messrs. de Castries and Condrón told Mr. Roth that, based on the results of its due diligence to date, including its preliminary evaluation of the CIC agreements, AXA Financial would be willing to offer to acquire MONY for between \$25.00 and \$26.50 in cash per share of MONY common stock, subject to the approval of AXA Financial's board of directors. Mr. Roth informed Messrs. de Castries and Condrón that he believed this offer was inadequate in light of Mr. Roth's assessment of the current financial condition and the future financial prospects of MONY.

The next day, Mr. Roth again met with Mr. Condrón to explore the basis for AXA Financial's proposal and whether AXA Financial might be willing to increase the price it was willing to pay for MONY. Mr. Condrón stated that, subject to satisfactory completion of its due diligence and the approval of AXA Financial's board of directors, AXA Financial was prepared to offer to acquire MONY for \$26.50 per share in cash.

On May 2, 2003, Mr. Roth had a telephone conversation with Mr. Condrón during which Mr. Condrón presented Mr. Roth with an offer, subject to the approval of AXA Financial's board of directors, to acquire MONY for \$26.50 per share, in either cash or AXA American Depositary Receipts. In addition, if the consideration were to be a fixed number of AXA American Depositary Receipts for each share of MONY common stock, Mr. Condrón offered to give MONY the right to terminate the merger agreement in the event that, at the closing of the merger, the value of the AXA American Depositary Receipts to be exchanged for each share of MONY common stock in the transaction was less than \$15.00.

On May 5, 2003, the MONY board of directors met with members of the MONY senior management team, including Messrs. Daddario and Schwartz as well as representatives of Dewey Ballantine LLP, MONY's legal counsel, and Credit Suisse First Boston. Mr. Roth and representatives of Credit Suisse First Boston explained to the MONY board of directors the offer from AXA Financial that was presented to Mr. Roth on May 2, 2003, and again reviewed and discussed with the board of directors MONY's prospects and strategic alternatives in light of the current and projected market environment. In particular, the MONY board of directors considered that AXA Financial was well positioned to effect a combination with MONY because of, among other things, the similarity of AXA Financial's U.S. distribution to MONY's distribution, the expense savings that might be achieved by AXA Financial in such a combination and the resulting impact on valuation for MONY's stockholders and AXA Financial's capacity to finance the transaction. Mr. Roth also reviewed with the board of directors the conversation he had had in April 2003 with the chief executive officer of an internationally recognized company in the life insurance industry and again reviewed with the board of directors the prior conversations which had occurred with other companies from time-to-time, which he had discussed with the board of directors at prior



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meetings, and reiterated that all such conversations had ceased. In addition, Mr. Roth again discussed the risks and opportunities associated with MONY remaining independent. In this regard, Mr. Roth analyzed, among other things, the potential rating agency impact and stock market reaction to the decision to remain independent in light of MONY's current and projected earnings and other facts. The MONY board of directors determined that it was in the best interests of MONY and its stockholders for MONY's management to continue discussions with AXA Financial.

On May 13, 2003, MONY's board of directors met again with representatives of MONY's senior management team, including Messrs. Daddario and Schwartz, and Kimberly Windrow, MONY's Senior Vice President in charge of Human Resources, and its legal and financial advisors. The board of directors again considered the AXA Financial offer of May 2, 2003, and any potential alternatives to a transaction with AXA Financial, including the feasibility of, and the risks associated with, MONY's continued operation as an independent public company. The board of directors also discussed matters related to the CIC agreements with the senior executives, including the potential payments to be made to those executives in the event of a transaction with AXA Financial. Based on the foregoing, at the conclusion of the meeting, the MONY board of directors determined that a transaction with AXA Financial would likely be beneficial to MONY stockholders and instructed Mr. Roth to proceed with the negotiation of a definitive merger agreement for the board of directors' consideration at a subsequent meeting.

Over the course of the next week, representatives of MONY and its legal and financial advisors negotiated a merger agreement with representatives of AXA Financial and its advisors. During these discussions, AXA Financial stated that, subject to the completion of its due diligence and the approval of the AXA Financial board of directors, it remained prepared to acquire MONY for \$26.50 per share. During these discussions, AXA Financial also stated that it wanted to structure the transaction as a stock-for-stock merger pursuant to which each outstanding share of MONY common stock would be exchanged for such number of AXA American Depositary Receipts as had a value of \$26.50, based on the closing price of such AXA American Depositary Receipts as of the day immediately preceding the merger agreement. Based on the closing price of AXA American Depositary Receipts on the 20 trading days immediately preceding May 15, 2003, AXA Financial proposed that each outstanding share of MONY common stock would be converted into the right to receive 1.8 AXA American Depositary Receipts in order to achieve a value of \$26.50 per share of MONY common stock.

In addition, during this time, representatives of AXA Financial and its advisors continued business, legal and financial due diligence of MONY, and MONY and its legal and financial advisors conducted due diligence on AXA Financial and AXA. Among other things, the parties discussed the CIC agreements with senior executives of MONY and their effect on the price AXA Financial was prepared to offer for MONY, and preliminarily agreed on certain measures to reduce the potential cost of the agreements to AXA Financial. These measures included, among other things, the addition of non-competition and non-solicitation covenants to the CIC agreements, and the cancellation of all stock options held by the senior executives with an exercise price equal to or greater than the closing price to be offered in the merger for each share of MONY common stock, together with other considerations that could potentially reduce the cost of excise tax gross up payments under the CIC agreements. In addition, the parties also discussed the possibility of retaining some of the senior executives covered by the CIC agreements after the effective time of the merger under new employment agreements, thus avoiding the payment of the severance amounts under the CIC agreements.

On the morning of May 21, 2003, the transaction committee of the AXA Financial board of directors held a meeting and approved the proposed merger agreement between MONY and AXA Financial.

On the morning of May 21, 2003, Mr. Roth had a conversation with Mr. Tulin. Mr. Roth and Mr. Tulin agreed that the purchase price in the merger would be \$26.50 per share and that the exchange ratio to produce this value would be fixed based on the volume weighted average trading price of AXA American Depositary Receipts during that day.

On the evening of May 21, 2003, MONY's board of directors met to consider the proposed merger agreement between MONY and AXA Financial. Representatives of MONY's senior management team, including Messrs. Daddario and Schwartz, as well as representatives of

MONY's legal and financial advisors

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made presentations to the MONY board of directors concerning the merger agreement and the proposed transaction. At this meeting, representatives of Dewey Ballantine LLP reviewed with the MONY board of directors the terms of the proposed merger agreement and the fiduciary duties of the MONY board of directors to the MONY stockholders in connection with the proposed transaction. In addition, the MONY board of directors was advised that, based upon the \$26.50 purchase price agreed to between Mr. Roth and Mr. Tulin that morning and the volume weighted average trading price of AXA American Depositary Receipts on May 21, 2003, each outstanding share of MONY common stock would be converted into the right to receive 1.92 AXA American Depositary Receipts. This represented a value of \$26.50 per share, based on the volume weighted average trading price of \$13.80 of AXA American Depositary Receipts on May 21, 2003, and \$26.92 based on the closing share price of \$14.02 of such AXA American Depositary Receipts on May 21, 2003. The MONY board of directors was also advised that Mr. Roth and Mr. Tulin had agreed that MONY would have a right to terminate the merger agreement in the event that the value of the AXA American Depositary Receipts delivered to holders of MONY common stock at the closing of the merger based on the exchange ratio was less than \$17.00, subject to AXA Financial's right to increase the exchange ratio by the amount necessary to produce a value of \$17.00, and that AXA Financial would have the right to terminate the merger agreement in the event that the value of the AXA American Depositary Receipts delivered to holders of MONY common stock at the closing of the merger based on the exchange ratio was more than \$37.00, subject to MONY's right to decrease the exchange ratio by an amount necessary to produce a value of \$37.00.

Following these presentations, the MONY board of directors engaged in extensive discussions about the AXA Financial proposal. During those discussions, members of the board of directors expressed concern about the risk that, pursuant to the terms of the proposed transaction, MONY's stockholders would be exposed to fluctuations in the trading price of AXA American Depositary Receipts until the closing of the transaction—a risk that was compounded by the possibility that there could be an extended period of time between the signing of the merger agreement and the closing of the merger due to the regulatory approvals and other conditions that would need to be satisfied before the merger could be completed. In this regard, members of the MONY board of directors noted the significant fluctuations in the trading prices of AXA American Depositary Receipts during the preceding two years and that the consideration payable to MONY stockholders at the closing of the merger could be as low as \$17.00 per share of MONY common stock if the market price of AXA American Depositary Receipts were to decline significantly. Members of the MONY board of directors also expressed concern that the risk of fluctuations in the trading price of AXA American Depositary Receipts was exacerbated by currency risk since AXA was an international company and a significant portion of its earnings was denominated in foreign currencies. In addition, the MONY board of directors discussed, generally, whether MONY stockholders would want to receive AXA American Depositary Receipts in exchange for their MONY common stock and the potential confusion among stockholders as to what the AXA American Depositary Receipts represent. The MONY board of directors also extensively discussed the CIC agreements, including the potential payments to the executives in the event of a transaction with AXA Financial followed by termination of their employment under the circumstances described in the CIC agreements.

During the meeting, the MONY board of directors asked Mr. Roth to prepare for the board's review an updated analysis of MONY's prospects, as well as the risks to MONY's stockholders, if MONY continued as an independent public company. Later that evening, Mr. Roth informed Mr. Condrón that the MONY board of directors was continuing to consider MONY's strategic alternatives, but was not willing to accept AXA Financial's current offer principally due to concerns regarding the potential volatility of AXA's American Depositary Receipts. As a result, on May 21, 2003, MONY and AXA Financial ceased negotiations regarding the proposed transaction.

On June 9, 2003, MONY's board of directors again met with representatives of Credit Suisse First Boston and Messrs. Daddario and Schwartz. Mr. Daddario reviewed MONY's historical and current financial performance and presented an updated analysis of MONY's prospects as an independent public company. This analysis included an assessment of some of the key drivers that have contributed to MONY's declining earnings since 2000. These include expiration of payments from the sale of its pension business to AEGON N.V., reduced

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fee income as a result of the declining market value of assets in mutual funds and variable annuity subaccounts, higher corporate pension costs, lower investment income due to declining interest rates and reduced venture capital returns. In addition, Mr. Daddario also discussed MONY's base case financial projections, and the sensitivity of the base case to variations (i) in annual equity market appreciation, (ii) sales growth in MONY's lines of businesses and (iii) reductions resulting from expense savings initiatives, among other things. He concluded that, using the most favorable set of assumptions as to these variations, MONY's return on equity would still likely be significantly lower than that of its peer companies. At the meeting, MONY's independent directors also discussed the CIC agreements, including the potential payments in the event of a change in control. In addition, Credit Suisse First Boston provided further information to the MONY board of directors about AXA, including general financial and market information relating to AXA, information relating to the liquidity of AXA's American Depositary Receipts and information relating to the effects of potential flowback likely to occur in a transaction in which non-U.S. equity securities are used as consideration. Flowback occurs when U.S. shareholders of a U.S. company receive, in an acquisition of a U.S. company, shares of a foreign acquiring company that are listed on an U.S. exchange and then sell those shares of the foreign company on the U.S. exchange to non-U.S. investors, causing the shares to "flow back" from the U.S. exchange to a foreign market.

At a meeting on June 11, 2003, the corporate governance and nominating committee of MONY's board of directors, a committee comprised entirely of independent directors, reviewed the CIC agreements. The committee determined that it was appropriate to review the CIC agreements given the potential costs of the CIC agreements in a change in control transaction. The committee also recognized that the term of the CIC agreements would be automatically extended from December 31, 2003 until December 31, 2004 unless the MONY board of directors gave notice of termination by September 30, 2003. The committee recommended that the independent members of MONY's board of directors review the CIC agreements to consider whether the CIC agreements should be amended and whether notice of termination should be given. The committee also recommended that the independent directors retain independent legal advisors and executive compensation consultants to assist them in this review. The decision to review the CIC agreements and consider modifications at this time was not requested by representatives of AXA Financial, nor was AXA Financial consulted by MONY or its board of directors in connection with this review.

At a meeting held on June 13, 2003, MONY's independent directors retained Gibson, Dunn & Crutcher LLP as independent legal advisors, and Frederic W. Cook & Co., as independent executive compensation consultants, to assist with the independent directors' review of the CIC agreements. Shortly thereafter, MONY's independent directors also engaged Ernst & Young LLP to assist them in connection with the review of the CIC agreements.

During the next several weeks, the independent directors and their advisors conducted a detailed review and analysis of the CIC agreements, the payments potentially due under the CIC agreements and the potential cost of those payments. MONY's independent directors and, at times, a committee of these independent directors, met on several occasions with their advisors to review their analyses and recommendations, and also held discussions with Mr. Roth about potential modifications to the CIC agreements. Together with their independent advisors, the independent directors developed a proposal for amended CIC agreements that would substantially reduce the cost of these agreements. The independent directors concluded, with the assistance of their advisors, that the amended CIC agreements would be more consistent with current market practices than the then existing agreements, both in terms of the operative provisions of these agreements and their potential costs in a change in control transaction. The independent directors determined that the executives would be asked to enter into an amended CIC agreement with a term that continued until December 31, 2004, subject to renewal, in replacement of their current CIC agreements prior to the expiration of their term.

At a meeting of the MONY board of directors on July 3, 2003, Mr. Roth indicated that he would be willing to accept an amended CIC agreement proposed by the MONY board of directors, and would be willing to recommend that the other executives accept amendments to their agreements, as well. The MONY board of directors resolved that the existing CIC agreements not be renewed upon the expiration of the then-current term on December 31, 2003 and directed that MONY and its advisors cease all discussions with any third parties relating to the sale of MONY or any other transaction that would result in a change in control of MONY under



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the agreements until such time as the existing agreements expired or the amended CIC agreements were entered into.

MONY notified each of the senior executives that their existing CIC agreement would not be renewed for 2004, and each executive was offered the amended CIC agreement prepared and approved by the independent directors and their advisors. By the end of July, on the recommendation of Mr. Roth, all of the executives had signed the amended CIC agreements. On August 14, 2003, MONY described the amendment of the CIC agreements in its quarterly report filed on Form 10-Q, and attached the amended agreements as exhibits to that filing.

The amended CIC agreements made a number of changes to the prior CIC agreements, as a result of which the potential payments to the executives in the aggregate were reduced by slightly more than one-half of the potential payments under the prior CIC agreements. Among other changes, the amended CIC agreements reduced the severance pay multiples for most of the executives, removed long-term incentive plan payments from the calculation of severance pay and provided that outstanding long-term incentive plan cycles would be paid out only on a pro-rata basis. The amended CIC agreements also removed provisions of the prior CIC agreements for four of the executive officers applicable upon a covered termination that would have treated them as satisfying the age requirement for retiree medical benefits and, in the case of one such executive, enhanced early retirement pension benefits. The potential cost of the agreements was further reduced because the decrease in the payments also reduced the amounts that would be subject to the federal income tax rules relating to change-in-control payments, resulting in a reduction in the liability for gross-up payments under the agreements and an increase in the relative amounts that would be tax deductible. The amended agreements also modified the definition of "good reason" for certain of the executives in a manner that was favorable to MONY. In addition, the amended agreements required that the executives comply with certain restrictive covenants following termination of employment, including with respect to noncompetition with MONY's business and nonsolicitation of its employees. The term of the CIC agreements was extended to December 31, 2004, subject to annual renewal thereafter. The aggregate amount of the potential payments to the individuals under the amended CIC agreements, based on certain assumptions, was estimated by the advisors to the independent members of the board of directors in July 2003 to be approximately \$79 million on a pre-tax basis, which represented an estimated reduction in potential payments of approximately \$110 million on a pre-tax basis when compared to the prior CIC agreements. This reduction included the value of certain changes to the CIC agreements that had been preliminarily agreed with AXA Financial in May 2003. The amounts actually payable, and thus the amount of the reduction in payments actually realized, is dependent upon a variety of factors, and is affected by events occurring after July 2003, such as the increase in purchase price for the MONY common stock and the adjustments to certain incentive compensation payments, described below. The estimated payment amounts as of the date of this proxy statement for each of the executive officers covered by the CIC agreements is also described below. See "Interests of MONY's Directors and Executive Officers in the Merger."

In late July 2003, Mr. Condron telephoned Mr. Roth to discuss his interest in renewing discussions with MONY, in September 2003, concerning a potential business combination. Mr. Roth stated that he would be willing to resume discussions in September, 2003.

On August 12 and 13, 2003, representatives of MONY, including Messrs. Roth, Daddario, Foti, Levine and Orluck, met with representatives of four ratings agencies. As a result of these conversations, MONY's management became convinced that it was likely that one or more of the ratings agencies would downgrade MONY's ratings due to, among other things, the ratings agencies' concerns about MONY's earnings and debt service coverage ratios. Three of the four ratings agencies stated that their ratings committees would meet in September to review MONY's ratings in light of MONY's earnings performance. Mr. Roth informed the ratings agencies that he expected discussions with a potential strategic partner to resume in September 2003.

On September 3, 2003, Mr. Roth and Mr. Condron met to discuss in detail a potential business combination. Mr. Condron told Mr. Roth that, subject to the satisfactory completion of its due diligence and the approval of the AXA Financial board of directors, AXA Financial was prepared to make a cash offer of \$29.50 per share for each

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outstanding share of MONY common stock. AXA Financial has informed MONY that it was willing to increase its offer to \$29.50 per share in cash from its May 18, 2003 offer of approximately \$26.50 per share in AXA American Depositary Receipts principally due to AXA Financial's revaluation of MONY's underlying variable insurance, mutual fund and securities brokerage businesses in light of the overall improvement in general U.S. economic conditions and equity market performance.

Mr. Roth then noted that since the time of their prior discussions in May 2003, MONY had amended its CIC agreements, resulting in significantly lower potential payments under those agreements. Mr. Roth stated that he believed AXA Financial should increase the price to be paid to MONY's stockholders in the potential transaction by the potential reduction in payments to the executives under the amended CIC agreements that was in excess of the potential cost savings under the prior CIC agreements that had been preliminarily agreed to in May with AXA Financial. Mr. Condrón agreed that AXA Financial would review the additional cost savings to AXA Financial of the amended CIC agreements and agreed, in principle, that the additional savings would be added to the price that AXA Financial would be willing to pay for each outstanding share of MONY common stock. Mr. Roth estimated that, based on the facts existing at that time, an additional \$1.50 per share should be added to the offer price conveyed on September 3, to reflect the cost savings to AXA Financial of the changes in the CIC agreements, for a total price of \$31.00 per share.

Over the next week, representatives of MONY and its legal, financial and executive compensation advisors provided additional information to AXA Financial concerning the modifications to the CIC agreements and the additional reductions in the cost of the potential payments under the agreements. In addition, representatives of AXA Financial and its advisors also performed additional business, legal and financial due diligence of MONY.

In a telephone conversation on September 10, 2003, Mr. Condrón informed Mr. Roth that AXA Financial was prepared to increase its offer by \$1.20 a share, to \$30.70, reflecting the estimated value to AXA Financial of the additional reductions in the potential cost of the CIC agreements and other factors. During the conversation, Mr. Roth advised Mr. Condrón that AXA Financial's bid would have to be \$31.00 per share in cash. Mr. Condrón told Mr. Roth that based on that cost reduction and other considerations, and subject to the approval of AXA Financial's board of directors, AXA Financial would be prepared to offer \$31.00 per share for all of the outstanding shares of MONY common stock.

Over the next several days, representatives of MONY and AXA Financial, as well as representatives of their legal advisors, finalized the definitive merger agreement for the proposed transaction, including a provision permitting MONY to declare a dividend from its Adjusted Net Earnings, as defined in the merger agreement, not to exceed \$0.45 per share of MONY common stock. As described below in MONY's Reasons for the Merger the MONY board of directors believes there is a substantial risk that MONY's stockholders may receive little or no further dividends.

During this time, AXA Financial insisted, as a condition of the transaction, that four of MONY's executives, Messrs. Roth, Foti, Levine and Daddario, enter into agreements with MONY and AXA Financial to limit the maximum amounts of severance and other payments that could be made under their respective amended CIC agreements. AXA Financial requested these agreements because it had relied on MONY's representation as to the potential cost of the amended CIC agreements in determining the consideration it was willing to offer. These agreements were not intended to reduce the amounts called for by the amended CIC agreements, but instead to impose a ceiling on some of the potential payments under the agreements at the amounts that had been estimated by MONY and represented to AXA Financial as the expected payment amounts. On September 17, 2003, the parties entered into the agreements that provided for these limitations.

On September 16, 2003, the MONY board of directors held a meeting to consider adjustments to certain incentive compensation arrangements applicable in 2003 for the executives covered by the CIC agreements, as well as for other employees of MONY, that had been considered and approved by the compensation committee of the MONY board of directors at its meetings on September 9 and September 16, 2003. At the meeting were representatives of MONY, including Messrs. Daddario and Schwartz, and Ms. Windrow. At the request of the



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compensation committee, representatives of MONY's advisors reviewed with the MONY board of directors the terms of the proposed adjustments. Also in attendance and advising the independent directors were Gibson, Dunn & Crutcher LLP, their independent legal advisor, and Frederic W. Cook & Co., their independent executive compensation consultants. The proposed adjustments were being considered in connection with compensation arrangements that would expire unpaid or result in payments below the target levels if a change in control transaction did not occur during 2003, a situation that the compensation committee had recommended be addressed. This involved awards of restricted stock, annual bonuses and long-term incentive plan units under which payouts or vesting would be determined, in part, by reference to MONY's results through 2003, and which would otherwise vest and pay at target levels if a transaction were consummated in 2003. In considering the proposed adjustments, the MONY board of directors reviewed and discussed the substantial cost savings to MONY that resulted from the executives decision to enter into the amended CIC agreements in replacement of the then-existing CIC agreements, and the resulting enhancement of stockholder value in the merger, the development by the executives of a favorable sale transaction for MONY at the request of the MONY board of directors, and the dedication and performance of senior management throughout the sale process. The MONY board of directors concluded that the adjustments approved by the compensation committee were appropriate and should be approved. These adjustments, and the amounts involved, are described in greater detail in this proxy statement under the heading Interests of MONY's Directors and Executive Officers in the Merger. AXA Financial was apprised of these adjustments following the initial approval by the compensation committee on September 9 and following final approval by the MONY board of directors on September 16.

On the morning of September 17, 2003, the MONY board of directors held a meeting to consider the proposed transaction. Representatives of MONY, including Messrs. Daddario and Schwartz, and Ms. Windrow, and its legal and financial advisors reviewed with the MONY board of directors the proposed transaction. In particular, representatives of Dewey Ballantine LLP reviewed with the MONY board of directors the terms of the proposed merger agreement and the fiduciary duties of the MONY board of directors to the MONY stockholders in connection with the proposed transaction. Also, representatives of Credit Suisse First Boston reviewed with the MONY board of directors its financial analysis of the merger consideration. After a thorough discussion regarding the proposed transaction, the MONY board of directors adjourned the meeting to consider the matter further.

The AXA Financial board of directors held a meeting and approved the proposed transaction during the morning of September 17, 2003.

Later in the afternoon on September 17, 2003, the MONY board of directors reconvened the meeting. At the meeting were representatives of MONY, including Messrs. Daddario and Schwartz, and Ms. Windrow. At this time, Credit Suisse First Boston rendered to the MONY board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion dated September 17, 2003, to the effect that, as of that date and based on and subject to the matters stated in the opinion, the proposed merger consideration was fair, from a financial point of view, to the holders of MONY common stock, other than AXA Financial and its affiliates. At this meeting, the MONY board of directors approved resolutions of the compensation committee of the board of directors with respect to incentive compensation arrangements applicable in 2003 for executives and other employees. See Interests of MONY's Directors and Executive Officers in the Merger. At the conclusion of the meeting, the MONY board of directors unanimously approved the merger agreement, including the merger and the other transactions contemplated by the merger agreement, determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders and recommended that MONY stockholders vote FOR adoption of the merger agreement.

Later on September 17, 2003, MONY and AXA Financial executed the merger agreement and publicly announced the proposed transaction.

On September 18, 2003, each of the four ratings agencies upgraded their outlook on MONY due to their favorable assessment of a potential transaction.

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**MONY's Reasons for the Merger**

MONY's board of directors consulted with senior management and MONY's financial and legal advisors and considered a number of factors, including those set forth below, in reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement and to recommend that MONY's stockholders vote FOR adoption of the merger agreement.

MONY's knowledge of, and its beliefs about, the environment in which it operates, including reduced returns on MONY's venture capital portfolio as compared to MONY's historical returns, the expiration of payments from the sale of its pension business to AEGON N.V., weak domestic and global economic conditions, depressed and volatile equity markets and low interest rates, strong competition in its business segments and diminishing short-term liquidity, and the impact of this environment on MONY's opportunities as a stand-alone entity or on MONY's ability to consummate an alternative strategic transaction in the future. Specifically, MONY believed that these factors combined to create difficult operating conditions for life insurers in general and MONY in particular because of, among other things, reduced fee income, weaker demand for sales of equity-related products, lower margins and losses in investment portfolios.

The strategic options available to MONY, which are described above under the heading Background of the Merger and included remaining independent, focusing on distribution/outourcing manufacturing, a merger of equals and a sale of MONY, and MONY's assessment that none of these options, including remaining independent, is likely to present an opportunity that is equal or superior to the proposed merger with AXA Financial or to create value for MONY stockholders that is equal to or greater than that created by the proposed merger.

MONY's financial condition, results of operations and business and earnings prospects if it were to remain independent, including the significant decrease in the holding company's cash, MONY's return on equity remaining significantly below industry averages and MONY's interest coverage ratios remaining significantly below the level that the ratings agencies consider appropriate for MONY's current rating, as well as the meaningful risk that MONY would not achieve its expected results.

The fact that, because of the strain on statutory capital resulting from new life insurance and annuity sales without sufficient income from life insurance operations to support such sales, in the past year MONY has had to invest over \$50 million of holding company funds in MONY Life to support its capital and, in the foreseeable future, MONY expects to continue to have to make sizable investments in the life operations without offsetting income from those operations.

The prospect that, absent the proposed merger, the ratings agencies would, in the immediate future, downgrade MONY's senior debt credit ratings and MONY Life's financial strength ratings and, the effect that such a downgrade would have on MONY Life, including (i) potentially causing it either (a) to lose business to competitors, especially in light of the fact that MONY Life's distribution is heavily dependent on third-party channels, and/or (b) to pay higher gross concessions to its distributors to maintain premium volume, resulting in lower profits, (ii) creating a significant risk of policy surrenders to MONY Life, thereby reducing revenue and requiring a write-down of deferred acquisition costs and (iii) undermining its relationships with its distributors and, thus, its attractiveness to third parties as a potential acquisition candidate.

The need for economies of scale in MONY's business, which the MONY board of directors believed MONY did not have, especially (i) in the variable products and asset management businesses and (ii) in a company with a career agency sales force, to produce competitive rates of return on capital employed; the resulting conclusion that MONY's variable products businesses and career agency distribution system would be worth more to AXA Financial than they are worth to MONY as an independent public company; and MONY's judgment that a sale to AXA Financial would, therefore, maximize the value MONY's stockholders would receive for those components of MONY's business.

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The belief of the MONY board of directors, based on discussions with MONY's management and MONY's financial advisors and publicly available research analysts' reports, that the market price of

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MONY common stock in the months immediately preceding the September 17, 2003 public announcement of the proposed merger was inflated by the speculation concerning a possible acquisition of MONY and the premium that AXA Financial's offer of \$31.00 per share represented after taking into account this likely inflation.

MONY's small stock market float and the consequent difficulty that MONY's large stockholders would have in selling their holdings in the public market, over a relatively short period of time, without depressing the market price of MONY common stock, were MONY to remain an independent public company.

The terms of the merger agreement, which provide MONY with an ability to respond to, and to accept, an unsolicited offer that is superior to the merger, if necessary to comply with the MONY board of directors' fiduciary duties to the MONY stockholders under applicable law.

The history of conversations since MONY's demutualization with other potential acquirors, as described in more detail above under the heading "Background of the Merger," that, in each case, failed to result in any definitive offer to acquire MONY, and the MONY board of directors' conclusion that based on such unsuccessful conversations it was unlikely that a higher value can be achieved for MONY stockholders by means of a transaction with any other party, combined with the likelihood that, given MONY's ability under the merger agreement, as described immediately above, to respond to and accept an unsolicited offer that is superior to the merger, any other party that is willing and able to pay a price higher than \$31.00 per share would come forward before the MONY stockholders vote on the proposed transaction.

The belief of the MONY board of directors that, given the potential consolidation savings and other economies that AXA Financial could achieve in a merger with MONY, AXA Financial could extract synergies which were more significant than most potential acquirors, thereby enabling it to pay a higher price for MONY than other potential acquirors who would not be able to extract such synergies.

The belief of the MONY board of directors that AXA Financial was significantly better positioned than other potential acquirors of MONY due to (i) AXA's large size and AXA Financial's ability to consummate the transaction without a financing condition, (ii) AXA's high price/earnings ratio, which permitted the transaction to be accretive to its earnings more quickly than would be the case for other potential acquirors, (iii) the similarity of AXA Financial's operations to those of MONY, including the fact that AXA Financial has long experience with a career agency sales force similar to MONY Life's sales force, (iv) the fact that Equitable Life is domiciled in New York State, MONY Life's state of domicile, and the impact of that fact on the ability to obtain certain regulatory approvals for the transaction as quickly as possible and (v) AXA's history as an active acquiror experienced in acquisition integration and (vi) AXA Financial's history of managing the closed block of life insurance business of Equitable Life following Equitable Life's demutualization in 1991, as a result of which AXA Financial has over 10 years of experience in managing a closed block for the protection of policyholders in accordance with the New York Insurance Law.

The financial presentation of Credit Suisse First Boston LLC, and the opinion, dated September 17, 2003, of Credit Suisse First Boston to the MONY board of directors, to the effect that as of that date and based upon and subject to the matters stated in such opinion, the \$31.00 per share merger consideration was fair, from a financial point of view to the holders of MONY common stock, other than AXA Financial and its affiliates, discussed further below under "Opinion of MONY's Financial Advisor." The full text of this opinion is attached to this proxy statement as Annex B.

The closing conditions included in the merger agreement, including the board of directors' beliefs as to (i) the likelihood that the merger would be approved by the requisite regulatory authorities, (ii) whether the merger agreement would be adopted by MONY's stockholders and (iii) whether the other conditions to AXA Financial's obligation to close would be satisfied.

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In addition to taking into account the foregoing factors, MONY's board of directors also considered the following potentially negative factors in reaching its decision to approve the merger agreement.

The possibility that MONY would be substantially more profitable than expected or that another acquiror would be willing to pay a higher price in the future.

The possible effect of the public announcement of the transaction on the continuing commitment of MONY's agents and management pending the MONY stockholder vote.

The risk, which the MONY board of directors believes is substantial, that, given the agreed-upon restriction on the MONY board of directors' ability to declare and pay a dividend, MONY's stockholders may receive little or no further dividends. See "The Merger Agreement - Dividend from Adjusted Net Earnings."

The fact that the merger will be a taxable transaction to MONY stockholders.

The fact that, because MONY stockholders are receiving cash for their shares of MONY common stock, they will not participate in any potential future growth of either MONY or AXA Financial.

The potential public perception, based on the fact that during the three month period prior to September 17, 2003, MONY's common stock traded within a range of \$26.56 to \$29.44 per share, which prices the MONY board of directors believed were inflated due to widespread speculation in the marketplace that MONY was a takeover target, that the premium reflected in the \$31.00 per share to be paid in the proposed transaction over recent trading prices of MONY common stock is not as high as premiums in some other transactions.

The potential impact of the transaction on MONY's employees, including the possibility that jobs will be eliminated.

The possibility that some stockholders might believe that MONY's fair value is more accurately reflected by the Company's GAAP or statutory book value than by the market price of MONY common stock.

The interests of some directors and officers of MONY that are different from, or in addition to, the interests of MONY stockholders generally, as described under "Interests of MONY's Directors and Executive Officers in the Merger."

The foregoing discussion of the information and factors considered by MONY's board of directors, while not exhaustive, includes the material factors considered by the MONY board of directors. In view of the variety of factors considered in connection with its evaluation of the merger, MONY's board of directors did not find it practicable to, and did not, quantify or otherwise assign relative or specific weight or values to any of these factors, and individual directors may have given different weights to different factors. The MONY board of directors considered all of the factors as a whole and considered the factors in their totality to be favorable to and to support the decision to approve the merger agreement and to recommend that MONY's stockholders adopt the merger agreement.

As noted above, one of the factors considered by the MONY board of directors was MONY's ability under the terms of the merger agreement to respond to an unsolicited offer under certain circumstances. As is customary in transactions like the merger, the merger agreement provides the MONY board of directors with an ability to comply with its fiduciary duties by responding to, and accepting, an unsolicited offer that is financially superior to the merger, subject, in certain circumstances, to the payment of a termination fee to AXA Financial. Since the announcement of the merger agreement, MONY has not received any proposals with respect to any possible business combination. On October



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3, 2003, the Chief Executive Officer of MONY received a personal letter from the Chief Executive Officer of a third party who, in 2001, had expressed an interest in a possible business combination with MONY. The letter conveyed best wishes for success in closing the merger with AXA Financial and expressed confidence that the transaction would be consummated. The letter went on to indicate that in the unlikely event that the transaction did not close, MONY should not hesitate to contact the third party.

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Before MONY's demutualization, the same party had, following due diligence, made a proposal to acquire MONY at a price that MONY regarded as wholly inadequate and which proved to be at a significant discount to MONY's market capitalization following demutualization.

### **Recommendation of MONY's Board of Directors**

MONY's board of directors, by unanimous vote and after careful consideration, (i) has approved the merger agreement, including the merger and the other transactions contemplated thereby, (ii) has determined that the terms of the merger and the other transactions contemplated by the merger agreement are advisable, fair to and in the best interests of MONY and its stockholders, (iii) recommends that MONY stockholders vote FOR adoption of the merger agreement and (iv) recommends that MONY stockholders vote FOR the proposal to postpone or adjourn the special meeting to a later date to solicit additional proxies in favor of adopting the merger agreement in the event that there are insufficient votes to adopt the merger agreement at the special meeting.

### **Opinion of MONY's Financial Advisor**

Credit Suisse First Boston LLC acted as MONY's exclusive financial advisor in connection with the merger. MONY selected Credit Suisse First Boston based on Credit Suisse First Boston's experience, reputation and familiarity with MONY. Credit Suisse First Boston is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

In connection with Credit Suisse First Boston's engagement, MONY requested that Credit Suisse First Boston evaluate the fairness, from a financial point of view, of the consideration provided for in the merger to the holders of MONY common stock, other than AXA Financial and its affiliates. On September 17, 2003, at a meeting of the MONY board of directors held to evaluate the merger, Credit Suisse First Boston delivered to the MONY board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion dated September 17, 2003, the date of the merger agreement, to the effect that, as of that date, and based on and subject to the matters described in its opinion, the per share merger consideration to be received by holders of MONY common stock was fair, from a financial point of view, to such holders, other than AXA Financial and its affiliates.

The full text of Credit Suisse First Boston's written opinion, dated September 17, 2003, to the MONY board of directors, which sets forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken, is attached as Annex B. Holders of MONY common stock are encouraged to read this opinion carefully and in its entirety. Credit Suisse First Boston's opinion is addressed to the MONY board of directors and relates only to the fairness, from a financial point of view, of the merger consideration to be received by the holders of MONY common stock, other than AXA Financial and its affiliates, in the merger. It does not address any other aspect of the proposed merger or any related transaction and does not constitute a recommendation to any MONY stockholder as to any matter relating to the proposed merger. The summary of Credit Suisse First Boston's opinion in this proxy statement is qualified in its entirety by reference to the full text of the opinion.

In arriving at its opinion, Credit Suisse First Boston reviewed certain publicly available business and financial information relating to MONY, as well as the merger agreement. Credit Suisse First Boston also reviewed certain other information relating to MONY, including financial forecasts, provided to or discussed with Credit Suisse First Boston by MONY and met with the management of MONY to discuss the business and prospects of MONY. Credit Suisse First Boston considered certain financial and stock market data of MONY and compared those data with similar data for other publicly-traded companies in businesses similar to MONY and considered, to the extent publicly available, the financial

terms of certain other business combinations and other

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transactions that have been effected or announced. Credit Suisse First Boston also considered other information, financial studies, analyses and investigations and financial, economic and market criteria that it deemed relevant.

In connection with its review, Credit Suisse First Boston did not assume any responsibility for independent verification of any of the information that it reviewed or considered and relied on that information being complete and accurate in all material respects. With respect to financial forecasts for MONY, Credit Suisse First Boston was advised by MONY's management and assumed that the forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of MONY's management as to the future financial performance of MONY. Credit Suisse First Boston also assumed, with MONY's consent, that the proposed merger would be consummated upon the terms and subject to the conditions set forth in the merger agreement without amendment, modification or waiver of any material terms thereof.

Credit Suisse First Boston is not an actuary and its services did not include actuarial determinations or evaluations by it or an attempt to evaluate actuarial assumptions. In that regard, Credit Suisse First Boston made no analyses of, and expressed no opinion as to, the adequacy of the policy and other insurance reserves of MONY and relied upon information furnished to it by MONY as to such adequacy.

In addition, Credit Suisse First Boston was not requested to, and did not, make an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of MONY, nor was Credit Suisse First Boston furnished with any evaluations or appraisals. Credit Suisse First Boston's opinion was necessarily based on information available to it, and financial, economic, market and other conditions as they existed and could be evaluated, on the date of Credit Suisse First Boston's opinion. Credit Suisse First Boston's opinion did not address the relative merits of the merger as compared to other transactions or business strategies available to MONY, and also did not address MONY's underlying business decision to engage in the merger. Credit Suisse First Boston was not requested to, and did not, solicit third party indications of interest in acquiring all or any part of MONY. Except as described above, MONY imposed no other limitations on Credit Suisse First Boston with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the MONY board of directors, Credit Suisse First Boston performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse First Boston's analyses described below is not a complete description of the analyses underlying its opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Credit Suisse First Boston made qualitative judgments as to the significance and relevance of each analysis and factor that it considered. Accordingly, Credit Suisse First Boston believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse First Boston considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of MONY. No company, transaction or business used in Credit Suisse First Boston's analyses as a comparison is identical to MONY or the proposed merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse First Boston's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Credit Suisse First Boston's analyses and estimates are inherently subject to substantial uncertainty.



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Credit Suisse First Boston's opinion and financial analyses were only one of many factors considered by the MONY board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the MONY board of directors or management with respect to the merger or the merger consideration.

The following is a summary of the material financial analyses underlying Credit Suisse First Boston's written opinion dated September 17, 2003 delivered to the MONY board of directors in connection with the merger. The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse First Boston's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse First Boston's financial analyses.

In performing its analyses, Credit Suisse First Boston used financial forecasts for MONY based on internal estimates by MONY's management. MONY's management provided Credit Suisse First Boston with a forecast for MONY on a stand-alone basis, which is referred to as the base case, and also provided Credit Suisse First Boston with adjustments to the base case.

The base case assumes that MONY will benefit from expense reduction initiatives it had contemplated prior to the announcement of the merger, will maintain its ratings, will be successful in growing sales volume, will benefit from stock market appreciation, will achieve returns of 8% in 2004 and 10% thereafter from its venture capital investments, will pay an annual dividend of \$0.45 per share of MONY common stock, will not buy any shares of MONY common stock, will make annual capital contributions to its life insurance subsidiaries of \$50 million annually from 2003 to 2005 and will refinance \$275 million of senior notes that mature on December 15, 2005. MONY's management also made certain adjustments to the base case forecast to reflect the complete elimination of MONY's deferred acquisition cost asset, commonly referred to as DAC, and goodwill asset(s) as required under generally accepted accounting principles when applying purchase accounting. In addition, MONY adjusted the base case forecast for the establishment of an asset to reflect a hypothetical value of MONY's in force insurance business, commonly referred to as VOBA, which is also a required adjustment under generally accepted accounting principles when applying purchase accounting. The amount of such asset was determined by MONY's management by developing a hypothetical assumption regarding the amount of expense savings and revenue synergies that an acquiror might be able to achieve by consolidating MONY, which when combined with a net decrease in amortization expense from VOBA post-acquisition, as compared to that from DAC pre-acquisition, would result in a minimum level of earnings sufficient to produce an acceptable return on investment by an acquiror. Accordingly, the hypothetical VOBA asset was determined to be approximately 50% of the carrying value of MONY's pre-acquisition DAC asset. The hypothetical value of VOBA assumed by MONY management did not purport to represent the actual value of such asset that an acquiror might determine. The purchase accounting adjustments made by MONY's management to the base case were not meant to be a complete list of purchase accounting adjustments required under generally accepted accounting principles or to be a reflection of the fair value or recoverability of any specific assets or liabilities on MONY's pre-acquisition balance sheet. The aforementioned adjustments to the base case, excluding any assumed expense savings or revenue synergies that an acquiror might achieve, improved projected 2003 ROE from 0.8% under the base case forecast to 3.9% and projected 2004 ROE from 2.0% under the base case forecast to 5.4%. These adjustments are not necessarily indicative of the nature or extent of any adjustments that AXA Financial might make upon the consummation of the merger.

In the following summary, adjusted estimated earnings refers to estimated earnings for MONY for a given period based on the base case forecast, with the adjustments described above. Similarly, adjusted book value refers to book value of MONY as of a given date, with the adjustments described above. Book values for MONY for purposes of these adjustments include the effect of Financial Accounting Standards No. 115, Accounting for Certain Investments in Debt and Equity Securities, commonly referred to as FAS 115, which defines the treatment of unrealized gains and losses on certain investments.

**Table of Contents****Implied Valuation Multiples and Premiums**

In preparing its opinion, Credit Suisse First Boston reviewed and considered certain valuation multiples implied by the \$31.00 per share merger consideration, as shown in the following table:

**Implied Multiples at \$31.00 per Share of MONY Common Stock**

	Research		Base Case	Adjusted Base Case
	Analysts	Consensus	Management Estimates	Management Estimates
Price / 2003E Earnings		99.8x	89.6x	25.9x
Price / 2004E Earnings		63.6x	35.6x	18.0x
Price / GAAP Book Value at June 30, 2003		0.72x	NA	1.02x
Price / Adjusted Statutory Book Value at December 31, 2002		NA	2.11x	2.11x

Under the column labeled Research Analysts Consensus, the earnings data were based on publicly available research analysts estimates, while the GAAP book value represents actual book value as of June 30, 2003 as reported by MONY. Under the column labeled base case management estimates, the earnings data reflect MONY s management s base case forecast as described above. Under the column labeled adjusted based case management estimates, the earnings data reflect the base case forecast, with the adjustments described above, while the GAAP book value reflects actual book value as of June 30, 2003 as reported by MONY, with the adjustments described above. The adjusted statutory book value is the adjusted statutory book value of MONY Life as of December 31, 2002 according to A.M. Best, adjusted for MONY management s estimates of holding company items, which consist of adding \$200 million for the value of The Advest Group, Inc., adding holding company cash and other cash of \$280 million, treating \$216 million of surplus notes as capital and subtracting long-term debt of \$876 million.

Credit Suisse First Boston also considered various premiums implied by the \$31.00 per share merger consideration, including the premiums to the closing price of MONY common stock as of September 11, 2003, to the 52-week high price of MONY common stock and to the 52-week average price of MONY common stock. This analysis indicated the following implied premiums:

**Implied Premiums at \$31.00 per Share of MONY Common Stock**

Premium to Closing Price on September 11, 2003	7.3%
Premium to 52-Week High as of September 11, 2003	7.3%
Premium to 52-Week Average as of September 11, 2003	25.5%

**Selected Companies Analysis**

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Using publicly available information, Credit Suisse First Boston reviewed the financial, operating and stock market data and the trading multiples of selected corporations. Like MONY, each of the selected corporations was a publicly traded company with a market capitalization in excess of \$200 million predominantly engaged in the life insurance business in the United States. The selected corporations were:

AmerUs Group Co.

Jefferson-Pilot Corporation

John Hancock Financial Services, Inc.

Kansas City Life Insurance Company

Lincoln National Corporation

MetLife, Inc.



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Principal Financial Group, Inc.

Protective Life Corporation

Prudential Financial, Inc.

Stancorp Financial Group, Inc.

The Phoenix Companies, Inc.

Torchmark Corporation

UnumProvident Corporation

Credit Suisse First Boston compared the market values of the selected companies as multiples of estimated calendar year 2004 earnings and book value as of June 30, 2003, excluding the effect of FAS 115. Credit Suisse First Boston believed that it is a common practice to exclude the effect of FAS 115 when considering the price-to-book valuation multiples of publicly traded life insurance companies. Market values were calculated by multiplying the September 11, 2003 stock price for the relevant company by the number of weighted average fully-diluted shares outstanding for the latest quarter based on the relevant company's most recent quarterly report on Form 10-Q. Estimated calendar year 2004 earnings for the selected companies were based on publicly available research analysts' estimates. This comparison resulted in the following high, mean, median and low multiples:

	<b>Multiples Derived from Estimated 2004 Earnings</b>	<b>Multiples Derived from June 30, 2003 Book Value</b>
High	16.3x	2.09x
Mean	10.6x	1.28x
Median	10.5x	1.32x
Low	8.1x	0.55x

Credit Suisse First Boston then applied a range of selected multiples derived from the selected companies of (i) 10.5x to 11.5x to the estimated adjusted calendar year 2004 earnings for MONY and (ii) 0.70x to 0.90x to the adjusted book value for MONY as of June 30, 2003. These ranges of multiples were selected on the basis of Credit Suisse First Boston's knowledge of the life insurance industry and its review of various financial characteristics of the selected companies and of comparable financial characteristics of MONY. In determining the book value multiple range to use in its analysis, Credit Suisse First Boston selected a range that was towards the lower end of the multiples derived from the selected companies, primarily reflecting the relatively lower book value multiples of companies which, like MONY, had relatively lower returns on equity. This analysis indicated the following implied per share equity reference ranges for MONY common stock, as compared to the per share merger consideration in the merger of \$31.00:

**Implied Per Share  
Equity Reference Range**

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Based on Estimated Adjusted 2004 Earnings	\$17.91 - \$19.62
Based on Adjusted June 30, 2003 Book Value	\$21.08 - \$27.11
Average	\$19.50 - \$23.36

**Table of Contents*****Precedent Transactions Analysis***

Using publicly available information, Credit Suisse First Boston reviewed the implied transaction value multiples paid in 71 selected transactions in the life insurance industry announced from 1995 to 2003. In each of the selected transactions, the target was a life insurance company with operations in the U.S. and the equity deal value exceeded \$200 million.

**Transactions Announced During 1995 to 1997**

<u>Target</u>	<u>Acquiror</u>
Alexander Hamilton Life Insurance Company of America	Jefferson-Pilot Corporation
American Travelers Corporation	Conseco, Inc.
AMEX Life Insurance Company	General Electric Capital Corporation
AmVestors Financial Corporation	AmerUs Life Holdings, Inc.
Capitol American Financial Corporation	Conseco, Inc.
CCP Insurance, Inc.	Conseco, Inc.
Central National Life Insurance Company of Omaha	SunAmerica Inc.
Chubb Life Insurance Company of America	Jefferson-Pilot Corporation
Cigna Corporation (Individual Life and Annuity Business)	Lincoln National Corporation
Colonial Penn Life Insurance Company	Conseco, Inc.
Connecticut Mutual Life Insurance Company	Massachusetts Mutual Life Insurance Company
EMPHESYS Financial Group, Inc.	Humana Inc.
Equitable of Iowa Companies	ING Group N.V.
Federal Kemper Life Assurance Company and Kemper Investors Life Insurance Company	Zurich Insurance Company
First Colony Corporation	General Electric Capital Corporation
Home Beneficial Corporation	American General Corporation
Independent Insurance Group, Inc.	American General Corporation
John Alden Life Insurance Company	SunAmerica Inc.
Kentucky Central Life Insurance Company	Jefferson-Pilot Corporation
The Life Insurance Company of Virginia	General Electric Capital Corporation
Life Partners Group, Inc.	Conseco, Inc.
Massachusetts Mutual Life Insurance Company (Group Life & Health)	WellPoint Health Networks Inc.
MetraHealth Companies, Inc.	United Healthcare Group Incorporated
New England Life Insurance Company	MetLife, Inc.
Ohio State Life Insurance Company	Americo Life, Inc.
Pioneer Financial Services, Inc.	Conseco, Inc.
Providian Corporation	AEGON N.V.
Security Connecticut Corporation	ReliaStar Financial Corporation

Security First Corp.

MetLife, Inc.

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<u>Target</u>	<u>Acquiror</u>
Southwestern Life Insurance Company	Southwestern Financial Corporation
The Paul Revere Corporation	Provident Companies, Inc.
The Reliable Life Insurance Company	Unitrin, Inc.
Transport Holdings Inc.	Conseco, Inc.
Union Fidelity Life Insurance Company	General Electric Capital Corporation
USLIFE Corporation	American General Corporation
Washington National Corporation	Conseco, Inc.
West Coast Life Insurance Company	Protective Life Corporation
Western National Corporation	American General Corporation
<b><u>Transactions Announced During 1998 to 2003</u></b>	
<u>Target</u>	<u>Acquiror</u>
Aetna Financial Services and Aetna International	ING Group N.V.
Aetna, Inc. (Domestic Individual Life Business)	Lincoln National Corporation
American Bankers Insurance Group	Fortis N.V.
American General Corporation	American International Group, Inc.
American Heritage Life Investment Corporation	The Allstate Corporation
American Memorial Life Insurance Company	Fortis N.V.
American Skandia, Inc.	Prudential Financial, Inc.
AXA Financial, Inc.	AXA Group
Business Men s Assurance Company of America	Royal Bank of Canada
Clarica Life Insurance (U.S.) Company	Midland National Life Insurance Company
Fidelity and Guaranty Life Insurance Co.	Old Mutual Plc
First Variable Life Insurance Company/ Inter-State	Protective Life Corporation
Fortis Financial Group	The Hartford Financial Services Group
GenAmerica Financial Corporation	Metropolitan Life Insurance Company
Guarantee Life Insurance Company	Jefferson-Pilot Corporation
Hartford Life Inc.	The Hartford Financial Services Group
Indianapolis Life Insurance Company	AmerUs Life Holdings, Inc.
J.C. Penney Direct Marketing Services, Inc.	AEGON N.V.
John Alden Financial Corp.	Fortis N.V.
Keyport Life Insurance Company	Sun Life Financial Inc.
Life Re Corporation	Swiss Re
Life USA Holding Inc.	Allianz Aktiengesellschaft
Lincoln National Reassurance Company	Swiss Re
Phoenix American Life Insurance Company	General Electric Company
Protective Life Corporation (Dental Benefits Division)	Fortis N.V.



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<u>Target</u>	<u>Acquiror</u>
Provident Companies Inc.	UNUM Corporation
Provident Mutual Life Insurance Company	Nationwide Financial Services, Inc.
ReliaStar Financial Corporation	ING Group N.V.
Royal Maccabees Life Insurance Company	Swiss Re
SunAmerica Inc.	American International Group, Inc.
The Liberty Corporation (Insurance Operations)	Royal Bank of Canada
Transamerica Corporation	AEGON N.V.
Zurich Life Company	Bank One Corporation

Credit Suisse First Boston then compared the implied equity values paid in the selected transactions as multiples of publicly available research analysts' estimates of quarterly earnings for the twelve-month period following the date of announcement of each selected transaction and book value reported prior to the date of announcement of each selected transaction. This comparison resulted in the following high, mean, median and low multiples:

**Transactions Announced During 1995 to 1997**

	<b>Multiples Derived</b>	<b>Multiples Derived from</b>
	<b>from Book Value</b>	<b>Next 12 Months Earnings</b>
High	3.40x	20.9x
Mean	1.58x	13.9x
Median	1.40x	13.3x
Low	0.90x	8.1x

**Transactions Announced During 1998 to 2003**

	<b>Multiples Derived</b>	<b>Multiples Derived from</b>
	<b>from Book Value</b>	<b>Next 12 Months Earnings</b>
High	5.20x	28.7x
Mean	1.99x	16.9x
Median	1.70x	15.9x
Low	0.72x	10.0x

Credit Suisse First Boston then applied a range of selected multiples derived from the selected transactions of (i) 16.0 to 18.0x to estimated adjusted calendar 2003 earnings for MONY and (ii) 0.90x to 1.10x to adjusted book value for MONY as of June 30, 2003. These ranges of multiples were selected on the basis of Credit Suisse First Boston's knowledge of the life insurance industry and its review of various financial characteristics of the selected transactions and of comparable financial characteristics of MONY. In determining the book value multiple range to use in its analysis, Credit Suisse First Boston selected a range that was towards the lower end of the multiples derived from the selected transactions, primarily reflecting the relatively lower book value multiples of target companies which, like MONY, had relatively lower returns on equity. This analysis indicated the following implied per share equity reference ranges for MONY common stock, as compared to the per share merger consideration of \$31.00:

	<b>Implied Per Share</b>
	<b>Equity Reference Range</b>
	<hr/>
Based on Estimated Adjusted 2003 Earnings	\$18.95 - \$21.32
Based on Adjusted June 30, 2003 Book Value	\$27.11 - \$33.13
Average	\$23.03 - \$27.22

*Discounted Cash Flow Analysis*

Credit Suisse First Boston performed a discounted cash flow analysis to calculate the estimated present value per share of MONY common stock by discounting its future dividend stream from 2003 to 2007 and a terminal value in 2007. This analysis assumed an annual dividend of \$0.45 per share of MONY common stock



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over calendar year 2003 through 2007. The range of estimated terminal values for MONY at the end of 2007 was calculated by applying earnings terminal value multiples of 10.0x to 12.0x, to MONY's calendar year 2007 estimated adjusted earnings, and book value terminal value multiples of 0.70x to 0.90x, to MONY's calendar year 2007 estimated adjusted book value. In selecting these terminal value multiples, Credit Suisse First Boston considered the financial characteristics of MONY as well the financial characteristics and trading multiples of the selected publicly traded companies referred to above under "Selected Companies Analysis" and used similar criteria as described above under "Selected Companies Analysis." Estimated adjusted earnings and book value for MONY were based on MONY's management base case forecast for 2003 to 2005, adjusted as described above, and a 6.5% growth rate thereafter derived from publicly-available research analysts' estimates and confirmed by MONY's management. The present value of the dividends and terminal values were calculated using discount rates ranging from 10.0% to 12.0% based on Credit Suisse First Boston's estimate of the cost of equity capital of MONY. This analysis indicated the following implied per share equity reference ranges for MONY common stock, as compared to the per share merger consideration of \$31.00:

	<b>Implied Per Share Equity Reference Range</b>
Based on Adjusted Earnings Estimates	\$20.09 - \$25.60
Based on Adjusted Book Value Estimates	\$18.37 - \$24.91
Average	\$19.23 - \$25.26

Credit Suisse First Boston also performed a similar discounted cash flow analysis assuming \$125 million in annual pre-tax expense savings as a result of the acquisition, to be realized 50% over the first twelve months following the acquisition and 100% thereafter, as well a one-time \$150 million after-tax restructuring charge and \$20 million of after-tax transaction expenses. All multiples and discount rates used in this analysis were identical to those used in the discounted cash flow analysis described above, except that the book value terminal value multiples used ranged from 1.10x to 1.30x. This analysis indicated the following implied per share equity reference ranges for MONY common stock, as compared to the per share merger consideration of \$31.00:

	<b>Implied Per Share Equity Reference Range</b>
Based on Adjusted Earnings Estimates	\$ 29.22 - \$38.51
Based on Adjusted Book Value Estimates	\$ 26.49 - \$34.42
Average	\$ 27.86 - \$36.47

**Other Factors**

In the course of preparing its opinion, Credit Suisse First Boston also reviewed and considered other information and data, including:

the historical price performance of MONY common stock and the relationship between movements in MONY common stock and selected companies in the life insurance industry; and

the one-day and 30-day premiums, and premiums to 52-week high and 52-week average paid in transactions with equity deal values greater than \$200 million in the U.S. and Canadian life insurance sectors announced between January 1, 1996, and September 11, 2003, excluding merger-of-equal transactions, and the same premiums implied as of September 11, 2003 by the per share merger consideration in the merger of \$31.00. In each case, the premium implied by the merger consideration was comparable to the premium in the selected transactions.

*Miscellaneous*

MONY has agreed to pay Credit Suisse First Boston fees for its financial advisory services in connection with the merger, a substantial portion of which are contingent upon the completion of the merger. A portion of this fee was paid on delivery of Credit Suisse First Boston's opinion. Credit Suisse First Boston's aggregate fee is currently estimated to be approximately \$15 million. MONY also has agreed to reimburse Credit Suisse First Boston for its reasonable out-of-pocket expenses, including the fees and expenses of legal counsel and any other advisor retained by Credit Suisse First Boston, and to indemnify Credit Suisse First Boston and related parties against liabilities, including liabilities under the federal securities laws, arising out of its engagement.

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Credit Suisse First Boston and its affiliates have from time to time provided, are currently providing and may in the future provide, investment banking and other financial services to MONY, AXA Financial and their respective affiliates unrelated to the proposed merger, for which services Credit Suisse First Boston has received and expects to receive compensation. In the ordinary course of business, Credit Suisse First Boston and its affiliates may actively trade the equity and/or debt securities of MONY, AXA Financial and their respective affiliates for their own accounts and for the accounts of customers and, accordingly, may at any time hold a long or short position in those securities.

## **Interests of MONY's Directors and Executive Officers in the Merger**

Some of MONY's directors and executive officers have interests in the merger that are different from, or are in addition to, their interests as stockholders in MONY. The MONY board of directors was aware of these additional interests and considered them when the MONY board of directors approved the merger agreement. These interests include the following:

### ***Indemnification***

MONY's amended and restated by-laws and the merger agreement contain provisions regarding indemnification of MONY's directors and officers. MONY's amended and restated by-laws, which were last amended in 1999, provide that MONY will indemnify any director or officer of MONY who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was or has agreed to, among other things, become a director or officer of MONY, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such director or officer or on such director's or officer's behalf in connection with such action, suit or proceeding and any appeal therefrom. These indemnifications are valid as long as the director or officer acted in good faith and in a manner such director or officer reasonably believed to be in or not opposed to the best interests of MONY and, with respect to any criminal action or proceeding, had no reasonable cause to believe such director's or officer's conduct was unlawful; except that in the case of an action or suit by or in the right of MONY to procure a judgment in its favor (i) such indemnification shall be limited to expenses, including attorneys' fees, actually and reasonably incurred by such director or officer in the defense or settlement of such action or suit and (ii) no indemnification shall be made in respect of any claim, issue or matter as to which such director or officer shall have been adjudged to be liable to MONY unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such director or officer is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper. In addition, the merger agreement provides for the maintenance of directors' and officers' insurance for a period of six years after the effective time of the merger. See The Merger Agreement Company Indemnification Provisions.

### ***Nonemployee Directors***

***Restricted Stock.*** Most nonemployee directors of MONY have been granted shares of restricted MONY common stock under the provisions of the 1998 plan of reorganization in connection with the demutualization of MONY Life. These grants of restricted stock have been made on an annual basis in lieu of a portion of earned directors' fees. Each grant of restricted stock normally is scheduled to vest in three equal installments on each of the first three anniversaries of the date of grant, subject to the continued service of the director. Pursuant to the merger agreement, all outstanding shares of restricted MONY common stock whether or not vested, will be cancelled in exchange for the right to receive a cash payment of \$31.00 per share of restricted MONY common stock within five business days following the effective time of the merger, less applicable tax withholdings.

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*Stock Options.* In July 2002, each nonemployee director was granted an option to acquire 5,000 shares of MONY common stock at an exercise price of \$29.70 per share. The stock options are scheduled to vest in three equal annual installments, subject to the continued service of the director and have a term of exercise of ten

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years. Pursuant to the merger agreement, all outstanding stock options, whether or not exercisable at the effective time of the merger and regardless of the exercise price of such stock options, will be cancelled, effective as of the effective time of the merger, in exchange for a single lump sum cash payment, which will be paid within five business days following the effective time of the merger, equal to the product of (i) the number of shares of MONY common stock subject to such stock option immediately prior to the effective time of the merger and (ii) the excess, if any, of \$31.00 over the exercise price per share of such stock option; provided, that if the exercise price per share of any such stock option is equal to or greater than \$31.00, such stock option will be canceled without payment. This payment will be subject to the execution by the option holder of an agreement and release with respect to all rights under the stock options.

*Deferred Compensation.* Under deferred compensation agreements entered into with certain nonemployee directors of MONY Life, these directors have elected to defer receipt of all or part of their annual retainer and meeting fees that are otherwise payable in cash. A director's account is credited with the amount of directors' fees that are deferred over time and with deemed earnings based upon the election of the director from among several investment options. The directors are eligible for payment of their accounts upon their retirement or other termination of service from the board of directors, payable at the election of the director in either a lump-sum or in monthly installments, generally over one to five years. Upon the effective time of the merger, all current directors of MONY Life are expected to retire and would upon retirement become entitled to payment of their deferred compensation accounts in accordance with the terms of their prior payment elections.

*Payment Amounts.* The following table summarizes the estimated amounts that would become payable to each of MONY's nonemployee directors in connection with the merger. For purposes only of these calculations, it is assumed that the effective time of the merger will occur as of March 31, 2004. These amounts are subject to variation depending upon the actual effective time of the merger.

<u>Director</u>	<u>Vested Stock Option Payment</u>	<u>Accelerated Stock Option Payment</u>	<u>Restricted Stock Payment</u>	<u>Accrued Deferred Compensation</u>
Tom H. Barrett	\$2,210	\$4,290	\$16,368	\$687,482
David L. Call	\$2,210	\$4,290	\$16,368	\$0
G. Robert Durham	\$2,210	\$4,290	\$16,368	\$0
Margaret M. Foran	\$0	\$0	\$0	\$0
Robert Holland, Jr.	\$2,210	\$4,290	\$16,368	\$787,010
James L. Johnson	\$2,210	\$4,290	\$16,368	\$0
Frederick W. Kanner	\$2,210	\$4,290	\$16,368	\$255,074
Robert R. Kiley	\$2,210	\$4,290	\$16,368	\$214,820
Jane C. Pfeiffer	\$2,210	\$4,290	\$16,368	\$135,603
Thomas C. Theobald	\$2,210	\$4,290	\$16,368	\$343,411
David M. Thomas	\$2,210	\$4,290	\$12,090	\$0

*Charitable Awards and Life Insurance Programs for Non-Employee Directors.* MONY Life maintains the MONY Life Charitable Awards Program for its non-employee directors. Under this program, MONY Life will make a charitable donation in the name of each non-employee director to the charitable organizations and/or educational institutions designated by the director. The maximum donation payable on behalf of each director is \$500,000, based on that director's length of service. Under the program, eligible directors are paired to the extent practicable. Donations are at the death of the last survivor of each pair but, as to the first to die of the pair, no later than five years after his or her death. If a director is not paired, the donation is made no later than five years after his or her death. In most cases, the program is funded by life insurance policies that are issued and owned by MONY Life.

Under the terms of the charitable awards program, the non-employee directors remain eligible to participate following their retirement from the MONY Life board of directors. Each of the directors of MONY Life is expected to retire from the board upon the effective time of the merger. Upon their retirement, Messrs. Barrett, Call, Durham, Holland, Johnson, Kanner, Kiley and Theobald and Ms. Pfeiffer will each be entitled to have donations made following their deaths in the amount of \$500,000 each, and Mr. Thomas and Ms. Foran will be



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entitled to have donations made following their deaths in the amount of \$200,000 each. The charitable awards program also covers eight former directors of MONY Life who have previously retired. As of September 30, 2003, the second-to-die policies funding this program had a total cash value of \$3,540,117 and MONY Life is carrying total reserves of \$3,653,560 for the death benefits payable under these insurance policies. During 2003, through September 30, MONY Life paid \$276,007 in annual premiums on these insurance policies.

In addition, under a retirement policy for directors of MONY Life, each of the retiring non-employee directors who is age 70 or over at the effective time of the merger will be provided for his or her lifetime with term life insurance coverage with a \$40,000 death benefit, the beneficiary of which is designated by the director. The following directors will be entitled to coverage under this program following the effective time of the merger: Messrs. Call, Barrett, Durham and Johnson and Ms. Pfeiffer. The life insurance program also covers ten former directors of MONY Life who have previously retired. The aggregate annual revenue cost paid by MONY Life during 2003, through September 30, for all coverage under this program is \$4,528.

AXA Financial indicated to MONY in November 2003 that it intended to honor the benefits of the retired and retiring MONY non-employee directors under the charitable awards and life insurance programs following the effective time of the merger.

## ***Executive Officers***

*Change in Control Agreements.* In July 2003, MONY Life entered into amended CIC agreements with the following executive officers: Michael I. Roth, Samuel J. Foti, Kenneth M. Levine, Richard Daddario, Victor Ugolyn, Richard E. Connors, Grant W. Kurtz, Steven Orluck, Evelyn Peos, Ernest P. Rogers, Bart Schwartz, Michael Slipowitz, Lee M. Smith and Kimberly G. Windrow. MONY Life also entered into an amended CIC agreement with one employee who is not an executive officer. These CIC agreements were entered into to replace the then-existing CIC agreements and represented a substantial reduction in the individual and aggregate cost of the agreements to MONY. As discussed above under the heading *The Merger Background of the Merger*, the payments to the executives in the aggregate were reduced by slightly more than one-half of the potential payments under the prior CIC agreements, and the aggregate amount of the reduction in payments to the executives was estimated at the time to be approximately \$110 million, based on a number of assumptions. The term of the CIC agreements currently extends through December 31, 2004, with such term automatically extended each December 31 thereafter unless MONY Life notifies its executive officers of its decision not to renew. Upon a change in control the term of the CIC agreements is automatically extended to the third anniversary of the change in control, or the second anniversary in the case of two of the CIC agreements. MONY also has entered into employment agreements with the executives, but these agreements are superseded upon the effectiveness of the CIC agreements. The execution of the merger agreement between AXA Financial and MONY has caused the CIC agreements to become effective, with the rights thereunder subject to the merger becoming effective.

The CIC agreements provide that, if the executive remains employed following the merger, the executive (i) will continue to receive base compensation at a rate not less than the rate in effect immediately prior to the merger, (ii) will continue to participate in all incentive compensation plans on a basis no less favorable than immediately prior to the merger and (iii) will be entitled to employee and fringe benefits equivalent in the aggregate to those provided immediately prior to the merger.

The CIC agreements also provide the executives with severance payments in the event of termination of employment by MONY other than for cause or by the executive for good reason, each as defined in the CIC agreements, during the term of the CIC agreements. Under the CIC agreements, severance payments would be made in a cash lump sum following termination of employment, determined as the sum of the following:

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- (i) an amount equal to the sum of the following components, multiplied by 2.5, in the case of Messrs. Roth, Foti, Levine and Daddario, and by 2.0, for Mr. Ugolyn and the other nine executives:
  - (a) the executive's annual base salary in effect at the time of employment termination; plus



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- (b) one-third the sum of the executive's annual bonuses paid for 2001 and 2002 and the target amount of the executive's annual bonus for 2003;
- (ii) an amount equal to any annual incentive compensation payments awarded for a year prior to the year in which the termination date occurs, but not paid as of the termination date, plus a pro rata portion of the annual bonus that would have been earned through the termination date, based on the greater of the current year's target bonus or the average of the bonuses payable for the two prior calendar years;
- (iii) an amount equal to the long-term incentive compensation payments in accordance with the terms of the plan for completed cycles, which provides for acceleration of payments, and, with respect to uncompleted cycles, the pro-rata amount that would have been earned through the termination date, based on the greater of the target value or the earned value;
- (iv) an amount equal to the present value of the additional retirement benefits that would have been accrued by the executive under the retirement plans in which the executive participates had employment continued for the remainder of the term of the CIC agreement; and
- (v) an amount equal to the present value of the additional costs of medical and dental benefits and retiree medical benefits had the executive continued to be employed for the remainder of the term of the CIC agreement, and continuation of split-dollar life insurance, where applicable.

In addition, upon a termination without cause or for good reason, the CIC agreements provide for immediate vesting of any unvested stock options and restricted stock awards, continued coverage under disability and life insurance programs, and outplacement services for up to one year with a nationally recognized outplacement firm. All supplemental pension plan benefits, including amounts that are accrued as of the effective time of the merger, will be paid to the executive in a single payment following termination of employment under the CIC agreements.

The CIC agreements provide that, to the extent that the severance payments and benefits payable under the agreements would cause the executive to be liable for excise taxes applicable by reason of Section 280G of the Internal Revenue Code, the executive will receive additional gross up payments to indemnify the executive for the effect of the excise taxes. However, in the event that the amounts payable to the executive would not exceed the excise tax threshold under Section 280G by more than ten percent, the payments to the executive will be reduced below this threshold to avoid application of the excise tax. The potential amount of the aggregate gross up payments under the CIC agreements is estimated to be between \$10 million and \$15 million. The actual amount payable will be based on a variety of factors, including whether employment is terminated under the CIC agreements and the date of such termination, the applicable base amount of compensation through 2003 for determining the Section 280G threshold, applicable interest rates, and the valuation of restrictive covenants under the CIC agreements, none of which can be determined with a reasonable degree of certainty as of the date of this proxy statement.

The CIC agreements require the executives to abide by restrictive covenants relating to non-competition, non-solicitation, non-disclosure and non-disparagement during and for the periods following their employment by MONY or any successor specified in the CIC agreements. In addition, prior to any benefits being paid to an executive under the CIC agreements, the executive must sign a general waiver and release of claims against MONY and its affiliates.

The CIC agreements for Messrs. Roth, Foti, Levine and Daddario were further amended at the request of AXA Financial on September 17, 2003 by letter agreements entered into among the executives, AXA Financial and MONY. The letter agreements provide limitations on the amounts payable to each of the executives under the CIC agreements, based on calculations made as to the amounts payable under the CIC agreements for an assumed termination of employment in connection with the merger becoming effective as of December 31, 2003 or as of March 31, 2004. The letter agreements also provide adjustments of the limits for intermediate or later dates, based on the change in the obligations over time under the CIC agreements with respect to annual and



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long-term bonus amounts and retirement benefits. The limitations applicable at March 31, 2004 are as follows: Mr. Roth, \$22,666,159, Mr. Foti, \$15,960,010, Mr. Levine, \$12,512,245 and Mr. Daddario, \$8,935,409. The limitations do not apply to the payment for vested stock options nor to the gross up indemnification for excise taxes described above.

*Stock Options.* The executives have received periodic grants of options to acquire shares of MONY common stock from the time of the 1998 reorganization of MONY Life as part of MONY's incentive compensation program. The exercise prices of the stock options are equal to the fair market value of MONY common stock at the time of grant. Stock options generally become vested over time subject to the continued employment of the executive and have a term of ten years. Pursuant to the merger agreement, all outstanding stock options, whether or not exercisable at the effective time of the merger and regardless of the exercise price of such stock options, will be cancelled, effective as of the effective time of the merger, in exchange for a single lump sum cash payment, which will be paid within five business days following the effective time of the merger, equal to the product of (i) the number of shares of MONY common stock subject to such stock option immediately prior to the effective time of the merger and (ii) the excess, if any, of \$31.00 over the exercise price per share of such stock option; provided, that if the exercise price per share of any such stock option is equal to or greater than \$31.00, such stock option will be canceled without payment. This payment will be subject to the execution by the option holder of an agreement and release with respect to all rights under the stock options.

*Restricted Stock.* The executives also have received periodic grants of shares of restricted MONY common stock as part of MONY's incentive compensation program. Restricted stock generally becomes vested over time subject to the continued employment of the executive and, in some cases, upon the attainment of corporate performance goals. Pursuant to the merger agreement, all outstanding shares of restricted MONY common stock, whether or not vested, will be cancelled in exchange for the right to receive a cash payment of \$31.00 per share of restricted MONY common stock within five business days following the effective time of the merger, less applicable tax withholdings.

*Compensation Committee Resolutions.* In September 2003, the compensation committee of the MONY board of directors adopted, and the MONY board of directors approved, resolutions adjusting certain incentive compensation arrangements applicable in 2003 for the executives covered by the CIC agreements, as well as for other employees of MONY, that will become effective in the event that the merger is completed in 2004. In connection with its review of these incentive compensation arrangements, as well as related resolutions, the compensation committee consulted with an independent legal advisor, Gibson, Dunn & Crutcher LLP, and an independent compensation consultant, Frederic W. Cook & Co.

The payments and benefits provided by the resolutions would have been paid under the CIC agreements in the event that the merger were completed in 2003 and the severance provisions of the CIC agreements were triggered. The resolutions provide that the executives will receive the following payments upon the effective time of the merger in 2004, subject to the condition that the executive does not voluntarily terminate employment prior to the effective time of the merger: (i) full vesting of restricted stock awards granted in May 2001 that may otherwise be forfeited on December 31, 2003 and (ii) target annual and long-term incentive awards in lieu of annual and long-term incentive plan awards earned for the plan periods ending on December 31, 2003. Each of the executives has entered into agreements with MONY consistent with the resolutions described above.

In approving these resolutions, the compensation committee gave consideration to the substantial cost savings to MONY that resulted from the executives' decision to enter into the amended CIC agreements in replacement of the then-existing CIC agreements, and the resulting enhancement of stockholder value in the merger, the development by the executives of a favorable sale transaction for MONY at the request of the MONY board of directors, and the dedication and performance of senior management throughout the sale process. See *Background of the Merger*. The compensation committee also approved the payment of certain incentive compensation upon the effective time of the merger as a retention incentive for employees other than the executives covered by the CIC agreements.

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The estimated aggregate incremental value of all compensation approved under these compensation committee resolutions is approximately \$25 million. Of this amount, approximately \$13.5 million relates to the individuals covered by the CIC agreements and approximately \$11.5 million relates to retention incentives for other corporate officers and employees. In addition to the executive officers with CIC agreements, 22 corporate officers have restricted stock awards covered by the resolutions, 58 corporate officers are included in the long-term incentive plan covered by the resolutions, and approximately 900 employees are included in annual incentive plans that are covered by the resolutions.

*Payment Amounts.* The following table summarizes the estimated amounts that would become payable to each of the executive officers covered by the CIC agreements in connection with a termination of employment by MONY other than for cause or by the executive for good reason, each as defined in the CIC agreements, following the merger. In addition, the following table summarizes the estimated amounts that would become payable to an executive officer who is not covered by a CIC agreement. For purposes only of these calculations, it is assumed that the effective time of the merger will occur, and that the severance amounts will become payable, as of March 31, 2004. These amounts are subject to variation depending upon the actual dates of these events, and whether the employment of an executive is terminated under the CIC agreements or otherwise. Each of the executives listed in the following table will also receive the merger consideration in respect of the shares of MONY common stock beneficially owned by such executive. See Security Ownership Security Ownership of Directors and Executive Officers.

<u>Executive<sup>1</sup></u>	<u>Severance Payment<sup>2</sup></u>	<u>Vested Stock Option Payment</u>	<u>Accelerated Stock Option Payment</u>	<u>Restricted Stock Payment</u>	<u>2003 AIC and LTIP Payment<sup>3</sup></u>
Michael I. Roth <i>Chairman of the Board and Chief Executive Officer</i>	\$ 12,142,748	\$ 613,000	\$ 495,000	\$ 3,612,120	\$ 1,631,250
Samuel J. Foti <i>President and Chief Operating Officer</i>	\$ 8,534,200	\$ 446,250	\$ 371,250	\$ 2,857,549	\$ 1,406,250
Kenneth M. Levine <i>Executive Vice President and Chief Investment Officer</i>	\$ 6,621,652	\$ 191,000	\$ 148,500	\$ 1,419,893	\$ 500,000
Richard Daddario <i>Executive Vice President and Chief Financial Officer</i>	\$ 5,167,615	\$ 191,000	\$ 148,500	\$ 1,347,663	\$ 500,000
Victor Ugolyn <i>Chairman, President and Chief Executive Officer, Enterprise Capital Management, Inc.</i>	\$ 4,626,684	\$ 110,750	\$ 99,000	\$ 1,054,186	\$ 516,250
Arnold Brousell <sup>(4)</sup> <i>Vice President and Controller</i>	\$ 60,577	\$ 20,225	\$ 17,325	\$ 170,500	\$ 84,375
Richard E. Connors <i>Senior Vice President, Annuity Division</i>	\$ 2,062,703	\$ 110,750	\$ 99,000	\$ 557,194	\$ 193,750
Grant W. Kurtz <i>Chief Executive Officer, Advest</i>	\$ 1,747,165	\$ 99,000	\$ 99,000	\$ 0	\$ 730,000
Steven Orluck	\$ 2,844,193	\$ 213,531	\$ 148,500	\$ 975,043	\$ 250,000

*Executive Vice President  
and Chief Distribution Officer*

Evelyn Peos

<i>Senior Vice President</i>	\$ 2,155,910	\$ 103,000	\$ 99,000	\$ 554,125	\$ 155,000
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*Life Insurance Division*

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<u>Executive<sup>1</sup></u>	<u>Severance Payment<sup>2</sup></u>	<u>Vested Stock Option Payment</u>	<u>Accelerated Stock Option Payment</u>	<u>Restricted Stock Payment</u>	<u>2003 AIC and LTIP Payment<sup>3</sup></u>
Ernest P. Rogers <i>Senior Vice President</i>  <i>and Chief Information Officer</i>	\$ 2,074,430	\$ 103,000	\$ 99,000	\$ 554,962	\$ 150,000
Bart Schwartz <i>Senior Vice President</i> <i>and General Counsel</i>	\$ 2,069,394	\$ 99,000	\$ 99,000	\$ 775,961	\$ 198,125
Michael Slipowitz <i>Senior Vice President</i>  <i>and Chief Actuary</i>	\$ 1,768,569	\$ 103,000	\$ 99,000	\$ 598,517	\$ 119,375
Lee M. Smith <i>Vice President</i>  <i>and Corporate Secretary</i>	\$ 1,664,730	\$ 23,800	\$ 19,800	\$ 180,978	\$ 145,000
Kimberly G. Windrow <i>Senior Vice President,</i> <i>Human Resources</i>	\$ 1,657,830	\$ 99,000	\$ 99,000	\$ 543,368	\$ 187,500

- (1) Under the letter agreements entered into with MONY and AXA Financial on September 17, 2003, the maximum payments under the CIC Agreements for Messrs. Roth, Foti, Levine and Daddario is limited to the following amounts as of March 31, 2004: Mr. Roth, \$22,666,159, Mr. Foti, \$15,960,010, Mr. Levine, \$12,512,245 and Mr. Daddario, \$8,935,409. These amounts do not include the payment amounts for vested stock options, which are included in the above table, or the additional payments to indemnify the executive for excise taxes that may be due by reason of Section 280G of the Internal Revenue Code. As a result, the actual total payments to Messrs. Roth, Foti, Levine and Daddario may exceed the payment limitations described above. These amounts do include the payment amounts of the executive's accrued and vested supplemental pension benefits, described in footnote (2) below, and the full amount of the incentive payments described in footnote (3) below.
- (2) Represents the estimated amounts of the cash severance payments and non-cash severance benefits under the CIC agreements, exclusive of any additional payments to indemnify the executive for excise taxes that may be due by reason of Section 280G of the Internal Revenue Code. This column does not include the amounts of the accrued and vested supplemental pension benefits of the executives as of March 31, 2004, which are estimated as follows: for Mr. Roth, \$2,796,291, Mr. Foti, \$1,200,760, Mr. Levine, \$3,173,700, Mr. Daddario, \$1,123,131, Mr. Ugolyn, \$878,114, Mr. Brousell, \$14,318, Mr. Connors, \$298,320, Mr. Kurtz, \$1,798,863, Mr. Orluck, \$127,138, Ms. Peos, \$466,397, Mr. Rogers, \$1,053,040, Mr. Schwartz, \$0, Mr. Slipowitz, \$246,613, Mr. Smith, \$514,899 and Ms. Windrow, \$0.
- (3) Represents the amounts of payments in lieu of annual and long-term incentive plans under the resolutions approved by the compensation committee and the board of directors on September 17, 2003, to the extent such payments exceed the estimated amounts that otherwise are expected to be earned under the terms of these plans for 2003. These amounts, which would also be paid upon the effective time of the merger, are as follows: for Mr. Roth, \$1,493,750, Mr. Foti, \$1,218,750, Mr. Levine, \$500,000, Mr. Daddario, \$500,000, Mr. Ugolyn, \$548,750, Mr. Brousell, \$103,125, Mr. Connors, \$181,250, Mr. Kurtz, \$270,000, Mr. Orluck, \$350,000, Ms. Peos, \$165,000, Mr. Rogers, \$150,000, Mr. Schwartz, \$194,375, Mr. Slipowitz, \$138,125, Mr. Smith, \$135,000 and Ms. Windrow, \$162,500. The value of the restricted stock subject to the September 17, 2003 resolutions is included in the Restricted Stock Payment column.
- (4) Any severance amount payable to Mr. Brousell would be paid pursuant to the applicable severance policies of MONY Life for a termination of employment. Mr. Brousell has not entered into a CIC agreement with MONY Life.

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*Deferred Compensation Trust.* MONY Life maintains a trust fund that holds assets to be used to satisfy liabilities under non-qualified deferred compensation plans that cover officers and directors, as well as other employees. Following the effective time of the merger, MONY Life will be required to make an irrevocable contribution to the trust in an amount that is sufficient to pay each plan participant or beneficiary their accrued benefits as of the effective time of the merger. As of September 30, 2003, it is estimated that MONY would be required to transfer approximately \$23.8 million to the trust in connection with the merger, less any amounts that become payable under the plans in connection with the merger, in addition to the approximately \$135.6 million value of assets that are currently in the trust. The additional contributions to the trust will not increase the amount of any benefit that is payable to any participant under the plans.

**Financing; Source of Funds**

The merger is not conditioned upon AXA Financial obtaining financing. Approximately \$1.5 billion will be required to acquire the issued and outstanding shares of our common stock pursuant to the merger agreement and to cash out outstanding and unexercised stock options and warrants. AXA Financial has represented to MONY that as of the closing it will have available cash sufficient to enable it to pay the aggregate merger consideration. In addition, AXA Financial has also advised us that it expects to obtain these funds from its parent, AXA.

**Effect of the Merger on MONY Common Stock**

MONY common stock is currently listed on the New York Stock Exchange under the symbol MNY. Following the merger, it is expected that MONY common stock no longer will be traded on the New York Stock Exchange, price quotations no longer will be available and the registration of MONY common stock under the Securities Exchange Act of 1934 will be terminated.

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**LITIGATION RELATING TO THE MERGER**

Between September 22 and October 8, 2003, ten substantially similar putative class action lawsuits were filed against MONY, its directors, AXA Financial and/or AIMA in the Court of Chancery of the State of Delaware in and for New Castle County, entitled *Beakovitz v. AXA Financial, Inc., et al.*, C.A. No. 20559-NC (Sept. 22, 2003); *Belodoff v. The MONY Group Inc., et al.*, C.A. No. 20558-NC (Sept. 22, 2003); *Brian v. The MONY Group Inc., et al.*, C.A. No. 20567-NC (Sept. 23, 2003); *Bricklayers Local 8 and Plasterers Local 233 Pension Fund v. The MONY Group Inc., et al.*, C.A. No. 20599-NC (Oct. 8, 2003); *Cantor v. The MONY Group Inc., et al.*, C.A. No. 20556-NC (Sept. 22, 2003); *E.M. Capital, Inc. v. The MONY Group Inc., et al.*, C.A. No. 20554-NC (Sept. 22, 2003); *Garrett v. The MONY Group Inc., et al.*, C.A. No. 20577-NC (Sept. 25, 2003); *Lebedda v. The Mony Group Inc., et al.*, C.A. No. 20590-NC (Oct. 3, 2003); *Martin v. Roth, et al.*, C.A. No. 20555-NC (Sept. 22, 2003); and *Muskal v. The MONY Group Inc., et al.*, C.A. No. 20557-NC (Sept. 22, 2003).

By order dated November 4, 2003, Vice Chancellor Stephen P. Lamb, to whom the cases had been assigned, consolidated all ten actions under the caption *In re The MONY Group Inc., Shareholders Litigation*, Consolidated C.A. No. 20554-NC, and ordered plaintiffs to file a consolidated amended complaint. On or about November 5, 2003, plaintiffs filed a Consolidated Class Action Complaint on behalf of a putative class consisting of all MONY stockholders, excluding the defendants and their affiliates. The consolidated complaint alleges that the \$31.00 cash price per share to be paid to MONY stockholders in connection with the proposed merger is inadequate and that MONY's directors breached their fiduciary duties in negotiating and approving the merger agreement by, among other things, (i) failing to maximize shareholder value, (ii) improperly diverting merger consideration from MONY's stockholders to MONY's management by amending and extending management's change-in-control agreements, (iii) failing to comply with Delaware law in determining the fair value of MONY's stock and (iv) disseminating incomplete and inaccurate information regarding the proposed merger. The consolidated amended complaint alleges that AXA Financial and AIMA aided and abetted the alleged breaches of fiduciary duty by MONY and its directors. The complaint seeks various forms of relief, including damages and injunctive relief that would, if granted, prevent completion of the merger. Defendants served and filed their answers to the consolidated amended complaint on December 29, 2003.

In addition, MONY, its directors and AXA Financial have been named in two putative class action lawsuits filed in New York State Supreme Court in Manhattan, entitled *Laufer v. The MONY Group, et al.*, Civ. No. 602957-2003 (Sept. 19, 2003) and *North Border Investments v. Barrett, et al.*, Civ. No. 602984-2003 (Sept. 22, 2003). The complaints in these actions contain allegations substantially similar to those in the Delaware cases, and likewise purport to assert claims against MONY and its directors for breach of fiduciary duty and against AXA Financial for aiding and abetting a breach of fiduciary duty. The *Laufer* and *North Border* complaints also seek various forms of relief, including damages and injunctive relief that would, if granted, prevent the completion of the merger. On December 29 and 30, 2003, respectively, defendants served their answers to the *Laufer* and *North Border* complaints.

MONY has denied the material allegations of the complaints and intends to vigorously defend the actions.



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**CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a summary of certain U.S. federal income tax consequences of the merger relevant to a stockholder whose shares of MONY common stock are converted to cash in the merger. This summary is based on the Internal Revenue Code of 1986, as amended, which is commonly referred to as the Code, Treasury regulations issued thereunder, judicial decisions and administrative rulings, each as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect, or different interpretations. The summary is for general information only and does not purport to address all of the tax consequences that may be relevant to particular MONY stockholders in light of their personal circumstances. The summary applies only to MONY stockholders who hold their shares of MONY common stock as capital assets and may not apply to stockholders subject to special rules under the Code, including, without limitation, stockholders who acquired their shares of MONY common stock pursuant to the exercise of employee stock options or other compensation arrangements, stockholders who dissent and exercise appraisal rights, partnerships or other entities treated as partnerships or flow-through entities for U.S. federal income tax purposes, retirement plans, insurance companies, tax-exempt organizations, brokers, dealers, or traders in securities, financial institutions, persons who hold the shares of MONY common stock as part of a straddle, hedge, conversion transaction or other integrated investment or persons that have a functional currency other than the United States dollar. The summary does not discuss the U.S. federal income tax consequences to any MONY stockholder who, for U.S. federal income tax purposes, is a non-resident alien individual, foreign corporation, foreign partnership or foreign trust or estate, and does not address any state, local or foreign tax consequences of the merger.

The receipt of cash for shares of MONY common stock pursuant to the merger will be a taxable transaction for U.S. federal income tax purposes. In general, a MONY stockholder who has shares of MONY common stock converted into cash pursuant to the merger will recognize gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount of cash received and the stockholder's adjusted tax basis in the shares of MONY common stock converted into cash pursuant to the merger. Gain or loss will be determined separately for each block of shares of MONY common stock, that is, shares acquired at the same cost in a single transaction, converted into cash pursuant to the merger. Such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the stockholder has held the shares of MONY common stock for more than one year. Certain limitations apply to the use of capital losses. Any dividend paid by MONY, as described under *The Merger Agreement* *Dividend from Adjusted Net Earnings*, will be taxable to recipients as ordinary dividend income, and will not be treated for federal income tax purposes as received pursuant to the merger.

Backup withholding at the applicable rate may apply to cash payments a stockholder receives pursuant to the merger if such stockholder fails to furnish a correct taxpayer identification number, or otherwise fails to comply with applicable tax reporting or backup withholding tax rules and certification requirements. Certain persons are exempt from backup withholding including, in certain circumstances, corporations. Any amount withheld under the backup withholding tax rules from a payment to a stockholder will be allowed as a refund or credit against such stockholder's U.S. federal income tax liability, provided that the required procedures are followed.

**MONY stockholders are urged to consult with their own tax advisors as to the particular tax consequences to them of the merger, including the applicability and effect of any state, local, foreign or other tax laws, and changes in tax laws.**

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**REQUIRED REGULATORY APPROVALS**

Consummation of the merger is subject to a number of regulatory approvals that are described below. Although MONY and AXA Financial have no reason to believe that they will not be able to obtain these regulatory approvals, they cannot predict whether the required regulatory approvals will be obtained within the time frame contemplated by the merger agreement or on conditions that would not be detrimental to MONY and AXA Financial, or whether these approvals will be obtained at all. MONY and AXA Financial are not aware of any other material governmental approvals or actions that are required prior to consummation of the merger other than those described below.

**Antitrust**

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated under that legislation, MONY and AXA Financial cannot complete the merger until they notify and furnish information to the Federal Trade Commission and the Antitrust Division of the U.S. Department of Justice, and specified waiting period requirements have been satisfied. MONY and AXA Financial have filed notification and report forms under the Hart-Scott-Rodino Act with the Federal Trade Commission and the Antitrust Division and on December 10, 2003, were granted early termination of the waiting period.

At any time before or after completion of the merger, the Federal Trade Commission or the Antitrust Division could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin consummation of the merger or seeking divestiture of substantial assets by MONY or AXA Financial. Individual states or private parties also may bring actions under the antitrust laws in certain circumstances. Although MONY and AXA Financial believe that the merger is legal under the federal antitrust laws, MONY and AXA Financial cannot provide any assurance that a challenge to the merger on antitrust grounds will not be made or, if a challenge is made, that it will not be successful.

In addition to U.S. antitrust approval, MONY and AXA Financial are required to obtain approval of the merger from the Brazilian Competition Authority with respect to a broker-dealer subsidiary of MONY that is based in Brazil. MONY and AXA Financial have made the required filing with the Brazilian Competition Authority. Under Brazilian law, the merger may be completed before this antitrust approval has been granted.

**Insurance Regulation**

The insurance laws and regulations of U.S. jurisdictions generally require that, prior to the acquisition of control or merger with the holding company parent of an insurance company domiciled, or, in some cases, commercially domiciled, in that jurisdiction, the acquiror must obtain the prior approval of, or file notification with and meet the waiting period requirements imposed by, the insurance regulatory authority of that jurisdiction. In this regard, completion of the merger is subject to the prior approval of the insurance departments of the states of Arizona, New York and Ohio. AXA Financial expects to file applications for prior approval with each of these insurance departments as soon as practicable.

In addition to the acquisition of control filings, AXA Financial has made or will make notice filings with insurance departments in states where AXA Financial's subsidiaries and MONY's subsidiaries together have sufficiently large market shares in particular insurance lines to require notification prior to completion of the acquisition. Approval of the merger is not required in these states, but these insurance departments could take action to impose conditions on the merger that could delay or prevent its consummation.



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In addition to U.S. insurance regulatory matters, AXA Financial is required to obtain prior approval of the merger from the Cayman Islands Monetary Authority with respect to MONY's insurance subsidiary that is domiciled in the Cayman Islands. AXA Financial has made the required application for approval with the Cayman Islands Monetary Authority.

The prohibition on acquisitions of 5% or more of MONY's common stock without the prior approval of the New York Superintendent of Insurance imposed pursuant to Section 7312(v) of the New York Insurance Law expired on December 23, 2003, thereby permitting acquisitions of 5% or more of MONY's common stock without the Superintendent's prior approval from and after December 24, 2003. However, no one may acquire control of MONY without the Superintendent's prior approval, and acquisition of 10% or more of the voting stock is presumed to confer control.

MONY has learned that one or more of its stockholders, including at least one stockholder that has purported to demand appraisal of its shares, has written to the New York Insurance Department asserting that the execution and announcement of the merger agreement violated Section 7312(v) of the New York Insurance Law. That section prohibits, among other things, certain offers to acquire five percent or more of the voting stock of a New York domiciled insurer that has demutualized, without the prior approval of the Superintendent of Insurance, if such offer is made within five years following the distribution of the demutualization consideration (that is, the payments to the policyholders of the reorganized mutual insurance company), or December 23, 2003, in the case of MONY Life. A violation of Section 7312(v) (or an action which may result in a violation) may be enforced or enjoined by a proceeding commenced by, among others, MONY, the Superintendent of Insurance, the New York Attorney General or any policyholder of MONY Life or stockholder of MONY. The New York Insurance Department has informed AXA Financial that it has concluded that neither the signing nor the announcement of the merger agreement falls within the purview of Section 7312(v).

## **Bank Regulation**

Pursuant to the Home Owners' Loan Act of 1933 and the Bank Merger Act, MONY and AXA Financial are prohibited from consummating the merger until they have filed applications with, and obtained the prior approval of, the Office of Thrift Supervision for AXA Financial's acquisition of MONY, and the indirect acquisition of MONY's federal savings bank subsidiary Advest Trust Company. An application may also be required to be filed with the Banking Commissioner for the State of Connecticut with respect to the change of control of MONY's federal savings bank subsidiary. AXA Financial has filed all required applications for approval with U.S. bank regulatory authorities. In addition to U.S. bank regulatory matters, AXA Financial is required to obtain prior approval of the merger from the Cayman Islands Monetary Authority with respect to MONY's bank subsidiary that is based in the Cayman Islands. AXA Financial has made the required application for approval with the Cayman Islands Monetary Authority.

## **Broker-Dealer Regulation**

MONY and AXA Financial own several registered broker-dealer subsidiaries. All of these broker-dealers are member firms of the National Association of Securities Dealers and one MONY broker-dealer is a member firm of various stock exchanges, including the New York Stock Exchange. In contemplation of the change in control of the MONY broker-dealers, MONY and AXA Financial are required to apply for and obtain approvals from the National Association of Securities Dealers, the New York Stock Exchange and certain other self-regulatory organizations.

## **General**

MONY and AXA Financial conduct operations in a number of jurisdictions where other regulatory filings or approvals may be required or advisable in connection with the completion of the merger. MONY and AXA Financial have no reason to believe that any of these requirements cannot be satisfied within the time period contemplated by the merger agreement. Either or both parties may not complete some of these filings or obtain some of these approvals if, as a matter of practice, they are not required to be obtained prior to the effectiveness of the merger.

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**THE MERGER AGREEMENT**

This section describes the material terms of the merger agreement. The description in this section is not complete. You should read the merger agreement, and the other annexes attached to the proxy statement, carefully and in its entirety for a more complete understanding of the merger. The complete text of the merger agreement is attached to this proxy statement as Annex A.

**The Merger**

AIMA, a newly formed, wholly owned subsidiary of AXA Financial will merge with and into MONY, with MONY being the surviving corporation of the merger (the surviving corporation). All property, rights, privileges, powers and franchises of MONY and AIMA will vest in the surviving corporation, and all debts, liabilities and duties of MONY and AIMA will become the debts, liabilities and duties of the surviving corporation.

**Effective Time of the Merger**

The merger will become effective upon the filing of a certificate of merger with the Secretary of State of the State of Delaware or at such later date and time as set forth in the certificate of merger. The closing of the merger will take place on the third business day after all of the conditions contained in the merger agreement have been fulfilled or waived, other than those conditions that by their nature are to be satisfied at the closing, but subject to the fulfillment or waiver of those conditions, or at such other place and time and/or on such other date as MONY and AXA Financial may agree in writing.

**Consideration to be Received in the Merger**

At the time the merger becomes effective, each issued and outstanding share of MONY common stock will be converted into the right to receive \$31.00 in cash, without interest. Each converted share of MONY common stock and all shares of MONY common stock held by MONY and its subsidiaries as treasury shares will be canceled and retired at the effective time of the merger. The shares of holders of MONY common stock who have perfected appraisal rights will be subject to appraisal in accordance with Delaware law.

Each issued and outstanding share of MONY restricted common stock granted pursuant to the MONY restricted stock ownership plan will be canceled in exchange for the right to receive \$31.00 in cash.

Each issued and outstanding option to purchase shares of MONY common stock with a per share exercise price of less than \$31.00 will be canceled and converted into an amount of cash equal to the excess of \$31.00 over the exercise price of the option, subject to the holder of such option's execution of an agreement, in form and substance reasonably satisfactory to AXA Financial, pursuant to which MONY, AXA Financial and their affiliates are released from any and all liability in respect of such holder's options. Each issued and outstanding stock option with a per share exercise price equal to or in excess of \$31.00 will be canceled without payment.

AXA Financial will cause the surviving corporation to deliver to each holder of MONY warrants issued and outstanding immediately prior to the effective time of the merger the undertakings required by each warrant certificate that represents such warrants.

If, prior to the merger, the outstanding shares of MONY common stock are altered by reason of a stock split, combination, reclassification, stock dividend or any other similar transaction, the merger consideration will be adjusted accordingly.

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### **Exchange Procedures**

Prior to the merger, AXA Financial will select a bank or trust company reasonably acceptable to MONY, as paying agent. As of the effective time of the merger, AXA Financial will deposit, or will cause the surviving corporation to deposit, as a trust fund for the former holders of record of certificates representing MONY common stock, other than any shares held by MONY and its subsidiaries in treasury, appraisal shares or restricted shares, cash in the amount equal to the aggregate merger consideration which such holders are entitled to receive.

Promptly after the effective time of the merger, the paying agent will mail to each eligible holder of record of shares of MONY common stock a letter of transmittal and instructions on how to exchange MONY common stock certificates for the cash merger consideration. Please do not send in your MONY stock certificates until you receive the letter of transmittal and instructions from the paying agent. Do not return your stock certificates with the enclosed proxy card.

After you mail the letter of transmittal, duly executed and completed in accordance with the instructions, and your stock certificates to the paying agent, AXA Financial will cause your check to be mailed to you. The MONY stock certificates you surrender will be canceled. After completion of the merger, there will be no further transfers of MONY common stock, and MONY stock certificates presented for transfer after the completion of the merger will be canceled and exchanged for the merger consideration. If a payment is to be made to a person other than the registered holder of the shares of the MONY common stock, the certificate surrendered must be properly endorsed or in proper form for transfer and any transfer or similar taxes must be paid by the person requesting the transfer or that person must establish to AXA Financial that such tax is not applicable.

If your MONY common stock certificates have been lost, stolen or destroyed, you will have to prove your ownership of those certificates by the making of an affidavit and the posting of a bond as indemnity against any claim with respect to such certificate before you receive any consideration for your shares.

If you do not return a completed letter of transmittal and your MONY stock certificates to the paying agent within one year after the effective time of the merger, you will be required to seek payment of the cash merger consideration from AXA Financial.

AXA Financial, the surviving corporation and the paying agent are entitled to deduct and withhold from the merger consideration payable to any former holder of shares of MONY common stock, MONY restricted common stock, stock options or warrants, the amount it is required to deduct and withhold from the merger consideration under the Internal Revenue Code of 1986, or any provision of state, local or foreign tax law. Any amounts withheld will be treated as having been paid.

None of AXA Financial, AIMA, the surviving corporation or the paying agent shall be liable to any former holder of MONY common stock for any such cash which is deliverable to a public official pursuant to an official request under any applicable abandoned property, escheat or similar law.

### **Representations and Warranties**



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The merger agreement contains a number of customary representations and warranties made by MONY and AXA Financial relating to themselves and their respective subsidiaries. MONY has made representations and warranties regarding, among other things:

its due organization, good standing and qualification;

its subsidiaries;

its capitalization;

its corporate power, authority and action;

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the authorization, execution, delivery and enforceability of, and required consents, approvals and authorizations relating to, the merger agreement and the transactions contemplated by the merger agreement;

the absence of certain violations as a result of the merger agreement;

its governmental filings, reports, SEC documents and statutory financial statements;

the absence of certain changes or events;

litigation and investigations;

the absence of undisclosed liabilities;

tax matters;

its properties and assets;

its insurance practices, permits and insurance licenses;

its regulatory filings;

its investments;

its insurance and annuity reserves;

the accuracy of information contained in this proxy statement, other than information provided by AXA Financial or AIMA, and compliance with SEC rules and regulations;

its brokers;

**SANDRIDGE ENERGY, INC. AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
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**(Unaudited)**

**15. Equity**

*Preferred Stock.* The following table presents information regarding the Company's preferred stock (in thousands):

	June 30, 2010	December 31, 2009
Shares authorized	50,000	50,000
Shares outstanding at end of period:		
8.5% Convertible perpetual preferred stock	2,650	2,650
6.0% Convertible perpetual preferred stock	2,000	2,000

The Company is authorized to issue 50,000,000 shares of preferred stock, \$0.001 par value, of which 4,650,000 shares were designated as convertible perpetual preferred stock at June 30, 2010 and December 31, 2009. All of the outstanding shares of the Company's convertible perpetual preferred stock were issued in private transactions and none of such shares are listed on a stock exchange.

*8.5% Convertible perpetual preferred stock.* The Company's 8.5% convertible perpetual preferred stock was issued in January 2009. Each share of 8.5% convertible perpetual preferred stock has a liquidation preference of \$100.00 and is convertible at the holder's option at any time initially into approximately 12.4805 shares of the Company's common stock based on an initial conversion price of \$8.01, subject to adjustments upon the occurrence of certain events. Each holder of the convertible perpetual preferred stock is entitled to an annual dividend of \$8.50 per share to be paid semi-annually in cash, common stock or a combination thereof, at the Company's election. The first dividend payment was paid in cash in February 2010. Approximately \$5.6 million in dividends (all unpaid) and \$11.3 million in dividends (\$2.8 million paid and \$8.5 million unpaid) on the 8.5% convertible perpetual preferred stock have been included in the Company's earnings per share calculations for the three and six-month periods ended June 30, 2010, respectively, as presented in the accompanying condensed consolidated statements of operations. The 8.5% convertible perpetual preferred stock is not redeemable by the Company at any time. After February 20, 2014, the Company may cause all outstanding shares of the convertible perpetual preferred stock to automatically convert into common stock at the then-prevailing conversion rate if certain conditions are met.

*6.0% Convertible perpetual preferred stock.* The Company's 6.0% convertible perpetual preferred stock was issued in December 2009. Each share of the 6.0% convertible perpetual preferred stock has a liquidation preference of \$100.00 and is entitled to an annual dividend of \$6.00 payable semi-annually in cash, common stock or any combination thereof, at the Company's election, beginning on July 15, 2010. Approximately \$3.0 million and \$6.0 million in unpaid dividends on the 6.0% convertible perpetual preferred stock has been included in the Company's earnings per share calculations for the three and six-month periods ended June 30, 2010, respectively, as presented in the accompanying condensed consolidated statements of operations. The first dividend payment was paid in cash in July 2010. The 6.0% convertible perpetual preferred stock is not redeemable by the Company at any time. Each share is initially convertible into 9.21 shares of the Company's common stock, at the holder's option based on an initial conversion price of \$10.86 and subject to customary adjustments in certain circumstances. Five years after their issuance, all outstanding shares of the convertible preferred stock will be converted automatically into shares of the Company's common stock at the then-prevailing conversion price as long as all dividends accrued at that time have been paid.



**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)**

*Common Stock.* The following table presents information regarding the Company's common stock (in thousands):

	<b>June 30, 2010</b>	<b>December 31, 2009</b>
Shares authorized	400,000	400,000
Shares outstanding at end of period	210,600	208,715
Shares held in treasury	2,236	1,866

On July 16, 2010, in conjunction with stockholder approval of the issuance of shares of Company common stock in connection with the Company's acquisition of Arena, the Company's stockholders approved an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock from 400.0 million shares to 800.0 million shares. See Note 17 for further discussion regarding the Arena transaction.

*Treasury Stock.* The Company makes required tax payments on behalf of employees when their restricted stock awards vest and then withholds a number of vested shares of common stock having a value on the date of vesting equal to the tax obligation. As a result of such transactions, the Company withheld approximately 274,000 shares with a total value of \$2.9 million and approximately 71,000 shares with a total value of \$0.5 million during the six-month periods ended June 30, 2010 and 2009, respectively. These shares were accounted for as treasury stock. Also accounted for as treasury stock are any shares of Company common stock held as assets in a trust for the Company's non-qualified deferred compensation plan. These shares were therefore not included as outstanding shares of common stock in this Quarterly Report. For corporate purposes and for purposes of voting at Company stockholder meetings, these shares are considered outstanding and have voting rights, which are exercised by the Company.

*Equity Compensation.* The Company awards restricted common stock under incentive compensation plans that vest over specified periods of time, subject to certain conditions. Awards issued prior to 2006 had vesting periods of one, four or seven years. All awards issued during and after 2006 have four-year vesting periods. Shares of restricted common stock are subject to restriction on transfer. Unvested restricted stock awards are included in the Company's outstanding shares of common stock.

For the three and six-month periods ended June 30, 2010, the Company recognized stock-based compensation expense of \$7.3 million and \$14.2 million, net of \$1.3 million and \$2.6 million capitalized, respectively, related to restricted common stock. For the three and six-month periods ended June 30, 2009, the Company recognized stock-based compensation

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expense of \$5.2 million and \$10.4 million, net of \$0.8 million and \$2.0 million capitalized, respectively, related to restricted common stock.

*Noncontrolling Interest.* Noncontrolling interests in certain of the Company's subsidiaries represent third-party ownership interests in the consolidated entity and are included as a component of equity in the consolidated balance sheet and consolidated statement of changes in equity as required by ASC Topic 810.

The following table presents a reconciliation of the activity for noncontrolling interest in certain of the Company's subsidiaries for the six-month periods ended June 30, 2010 and 2009 (in thousands):

	2010	2009
Beginning balance, January 1,	\$ 10,052	\$ 30
Distributions to noncontrolling interest owners	(1,506)	(11)
Contributions from noncontrolling interest owners	157	
Net income attributable to noncontrolling interest	2,234	7
Ending balance, June 30	\$ 10,937	\$ 26

**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****(Unaudited)****16. Related Party Transactions**

The Company enters into transactions in the ordinary course of business with certain of its stockholders and other related parties. These transactions primarily consist of purchases related to drilling and completion activities, gas treating services and drilling equipment and sales of oil field services, equipment and natural gas. Following is a summary of significant transactions with such related parties (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Sales to and reimbursements from related parties	\$ 4,166	\$ 974	\$ 6,823	\$ 4,406
Purchases from related parties	\$ 48	\$ 5,464	\$ 90	\$ 14,406

	December	
	June 30, 2010	31, 2009
Accounts receivable due from related parties	\$ 1,184	\$ 64
Accounts payable due to related parties	\$	\$ 860

*Oklahoma City Thunder Agreements.* The Company's Chairman and Chief Executive Officer owns a minority interest in a limited liability company which owns and operates the Oklahoma City Thunder, a National Basketball Association team playing in Oklahoma City, where the Company is headquartered. The Company, like four other Oklahoma City companies, has a five-year sponsorship agreement whereby the Company pays approximately \$3.3 million per year for advertising and promotional activities related to the Oklahoma City Thunder. Additionally, the Company entered into an agreement to license a suite at the arena where the Oklahoma City Thunder plays its home games. Under this four-year agreement, the Company pays an annual license fee of \$0.2 million.

*Larclay, L.P.* Until April 15, 2009, Lariat and its partner Clayton Williams Energy, Inc. (CWEI) each owned a 50% interest in Larclay, L.P. (Larclay), a limited partnership, and, until such time, Lariat operated the rigs owned by Larclay. On April 15, 2009, Lariat completed an assignment to CWEI of Lariat's 50% equity interest in Larclay pursuant to the terms of an Assignment and Assumption Agreement (the Larclay Assignment) entered

into between Lariat and CWEI on March 13, 2009. Pursuant to the Larclay Assignment, Lariat assigned all of its right, title and interest in and to Larclay to CWEI effective April 15, 2009, and CWEI assumed all of the obligations and liabilities of Lariat relating to Larclay. For the six-month period ended June 30, 2009, sales to and reimbursements from Larclay were \$2.9 million and purchases of services from Larclay were \$1.8 million.

#### **17. Subsequent Events**

Events occurring after June 30, 2010 were evaluated to ensure that any subsequent events that met the criteria for recognition and/or disclosure in this report have been included.

*Arena Acquisition.* On July 16, 2010, the stockholders of each of the Company and Arena approved the Company's acquisition of all of the outstanding common stock of Arena, and the transaction was completed. At the time of the acquisition, Arena was engaged in oil and natural gas exploration, development and production, with activities in Oklahoma, Texas, New Mexico and Kansas. In conjunction with this approval, the stockholders of the Company also approved an amendment to the Company's certificate of incorporation to increase the number of authorized shares of common stock to 800.0 million. In connection with the acquisition, the Company issued 4.7771 shares of its common stock and paid \$4.50 in cash to Arena stockholders for each outstanding



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share of Arena unrestricted common stock. In addition, outstanding options to purchase Arena common stock that were deemed exercised pursuant to the merger agreement were converted into shares of Company common stock pursuant to a formula in the merger agreement, and outstanding shares of Arena restricted common stock were converted into restricted shares of Company common stock pursuant to a formula in the merger agreement. Approximately 39.8 million shares of Arena common stock, comprised of 39.5 million shares of Arena common stock outstanding and 0.3 million common shares attributable to Arena options exercised immediately prior to the acquisition in accordance with the merger agreement, were outstanding on the acquisition date. This resulted in the issuance of approximately 190.3 million shares of common stock of the Company and payment of approximately \$177.9 million in cash for an aggregate estimated purchase price of approximately \$1.4 billion. For purposes of purchase accounting, the value of the common shares issued was determined based on the closing price of the Company's common stock on the New York Stock Exchange at the acquisition date, July 16, 2010. The Company has incurred approximately \$4.8 million in fees related to the acquisition, which was included in general and administrative expenses in the accompanying condensed consolidated statements of operations for the six months ended June 30, 2010.

The following allocation of the purchase price as of July 16, 2010, is preliminary and includes significant use of estimates. This preliminary allocation is based on information that was available to management at the time these condensed consolidated financial statements were prepared. Management has not yet had the opportunity to complete its assessment of the fair values of the assets acquired and liabilities assumed. Accordingly, the allocation will change as additional information becomes available and is assessed by the Company, and the impact of such changes may be material.

The following table summarizes the estimated values of assets acquired and liabilities assumed (in thousands):

	<b>July 16, 2010</b>
Current assets	\$ 80,133
Oil and natural gas properties(1)	1,382,383
Other property, plant and equipment	9,948
Long-term deferred tax assets	31,561
Goodwill(2)	366,902
 Total assets acquired	 1,870,927

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Current liabilities	29,188
Long-term deferred tax liability(2)	408,541
Other non-current liabilities	8,918
Total liabilities assumed	446,647
Net assets acquired	\$ 1,424,280

- (1) Weighted average commodity prices utilized in the preliminary determination of the fair value of oil and natural gas properties were \$77.24 per barrel of oil and \$6.80 per mcf of natural gas, after adjustment for transportation fees and regional price differentials.
- (2) The Company will receive carryover tax basis in Arena's assets and liabilities because the merger is not a taxable transaction under the IRC. Based upon the preliminary purchase price allocation, a step-up in basis related to the property acquired from Arena is expected to result in a Company deferred tax liability of approximately \$408.5 million, which in turn results in an excess of the consideration transferred to acquire Arena over the acquisition date estimated fair value of the net assets acquired, or goodwill. Goodwill is

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**SANDRIDGE ENERGY, INC. AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
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defined as an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. Goodwill recorded in the Arena acquisition is primarily attributable to operational and cost synergies that will be realized from the acquisition by using the Company's current presence in the Permian Basin, its Fort Stockton service base and its current rig ownership to efficiently increase its drilling and oil production from the Central Basin Platform assets acquired, as these assets have a proven production history. The Company applies full cost accounting rules and expects to assign all of the goodwill related to the Arena acquisition to its exploration and production segment. It is anticipated that the newly created deferred tax liability will be offset with the Company's existing deferred tax assets resulting in the release of approximately \$377.0 million in the Company's current valuation allowance against those existing deferred tax assets. The release of the valuation allowance will result in an income tax benefit recorded in the post-acquisition consolidated statement of operations. Goodwill recognized will not be deductible for tax purposes.

IRC Section 382 addresses company ownership changes and provides for the calculation of a limitation regarding the amount of certain deductions and other tax attributes that can be claimed on an annual basis following an ownership change. The Company has an existing IRC Section 382 limitation as a result of an ownership change that occurred on December 31, 2008. The Company anticipates that the acquisition of Arena will result in another IRC Section 382 ownership change, but has not yet determined whether the existing limitation will be impacted. The acquisition will also result in an ownership change for Arena resulting in a possible limitation on the amount of the acquired tax attributes that can be claimed on an annual basis. The Company does not expect the application of IRC Section 382 to cause the Company to have a current federal tax liability for the period ending December 31, 2010.

The following pro forma results of operations are provided for the three and six-month periods ended June 30, 2010 and 2009 as though the Arena acquisition had been completed as of the beginning of each three and six-month period presented (in thousands except per share amounts). The following supplemental pro forma results of operations are provided for illustrative purposes only and do not purport to be indicative of the actual results that would have been achieved by the combined company for the periods presented or that may be achieved by the combined company in the future. Future results may vary significantly from the results reflected in the following pro forma financial information because of future events and transactions, as well as other factors.

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	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Revenues	\$ 236,751	\$ 161,736	\$ 499,544	\$ 340,942
Income available (loss applicable) to SandRidge Energy, Inc. common stockholders(1)(2)	\$ 432,051	\$ 292,963	\$ 469,143	\$ (1,185,373)
Pro forma net income (loss) per common share:				
Basic	\$ 1.08	\$ 0.80	\$ 1.17	\$ (3.30)
Diluted	\$ 0.98	\$ 0.73	\$ 1.08	\$ (3.30)

(1) Includes approximately \$377.0 million reduction in tax expense for all periods presented related to the anticipated release of the current valuation allowance on existing deferred tax assets.

(2) Includes approximately \$327.1 million of additional estimated impairment from full cost ceiling limitations for the six months ended June 30, 2009.

The pro forma combined results of operations have been prepared by adjusting the historical results of the Company to include the historical results of Arena, certain reclassifications to conform Arena's presentation to

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**SANDRIDGE ENERGY, INC. AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
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the Company's accounting policies and the impact of the preliminary purchase price allocation discussed above. The pro forma results of operations do not include any cost savings or other synergies that may result from the acquisition or any estimated costs that have been or will be incurred by the Company to integrate Arena.

*Sale of Oklahoma Deep Rights.* On July 22, 2010, the Company signed an agreement with an oil and gas company to sell certain deep acreage rights in the Cana Shale play in western Oklahoma for approximately \$139.0 million in cash. The Company will retain the shallow rights associated with this acreage. The sale is expected to close in the third quarter of 2010 and is subject to customary closing adjustments.

**18. Business Segment Information**

The Company has three business segments: exploration and production, drilling and oil field services and midstream gas services. These segments represent the Company's three main business units, each offering different products and services. The exploration and production segment is engaged in the acquisition, development and production of oil and natural gas properties. The drilling and oil field services segment is engaged in the land contract drilling of oil and natural gas wells. The midstream gas services segment is engaged in purchasing, gathering, processing, treating and selling natural gas. The All Other column in the tables below includes items not related to the Company's reportable segments, including the Company's CO<sub>2</sub> gathering and sales operations and corporate operations.

As further discussed in Note 19, SandRidge Energy, Inc., the parent company, contributed its oil and natural gas related assets and liabilities to one of its wholly owned subsidiaries effective as of May 1, 2009. As a result, the financial information of SandRidge Energy, Inc. is now included in the All Other column in the tables below, which is consistent with management's evaluation of the business segments. This information was previously included in the exploration and production segment. All periods presented below reflect this change in presentation.

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Management evaluates the performance of the Company's business segments based on operating income, which is defined as segment operating revenues less operating expenses and depreciation, depletion and amortization. Summarized financial information concerning the Company's segments is shown in the following tables (in thousands):

	Exploration and Production	Drilling and Oil Field Services	Midstream Gas Services	All Other	Consolidated Total
<b>Three Months Ended June 30, 2010</b>					
Revenues	\$ 150,571	\$ 55,975	\$ 66,379	\$ 8,744	\$ 281,669
Inter-segment revenue	(66)	(52,063)	(44,223)	(2,878)	(99,230)
Total revenues	\$ 150,505	\$ 3,912	\$ 22,156	\$ 5,866	\$ 182,439
Operating income (loss)	\$ 136,465	\$ (294)	\$ 902	\$ (17,621)	\$ 119,452
Interest income (expense), net	121	(254)	(161)	(63,867)	(64,161)
Other income (expense), net	13		56	(599)	(530)
Income (loss) before income taxes	\$ 136,599	\$ (548)	\$ 797	\$ (82,087)	\$ 54,761
Capital expenditures(1)	\$ 218,973	\$ 8,195	\$ 16,337	\$ 5,459	\$ 248,964
Depreciation, depletion and amortization	\$ 55,041	\$ 6,833	\$ 927	\$ 3,338	\$ 66,139
<b>Three Months Ended June 30, 2009</b>					
Revenues	\$ 103,727	\$ 55,975	\$ 71,838	\$ 6,511	\$ 238,051
Inter-segment revenue	(64)	(50,877)	(52,742)	(269)	(103,952)
Total revenues	\$ 103,663	\$ 5,098	\$ 19,096	\$ 6,242	\$ 134,099

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Operating loss	\$ (5,215)	\$ (2,801)	\$ (28,030)	\$ (13,941)	\$ (49,987)
Interest income (expense), net	311	(558)		(41,984)	(42,231)
Other income, net	483		200		683

Loss before income taxes	\$ (4,421)	\$ (3,359)	\$ (27,830)	\$ (55,925)	\$ (91,535)
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Capital expenditures(1)	\$ 121,347	\$ 188	\$ 17,340	\$ 8,813	\$ 147,688
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Depreciation, depletion and amortization	\$ 35,025	\$ 6,909	\$ 2,115	\$ 4,335	\$ 48,384
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	Exploration and Production	Drilling and Oil Field Services	Midstream Gas Services	All Other	Consolidated Total
<b>Six Months Ended June 30, 2010</b>					
Revenues	\$ 320,755	\$ 142,049	\$ 148,916	\$ 19,197	\$ 630,917
Inter-segment revenue	(131)	(132,377)	(99,233)	(5,742)	(237,483)
Total revenues	\$ 320,624	\$ 9,672	\$ 49,683	\$ 13,455	\$ 393,434
Operating income (loss)	\$ 246,488	\$ (4,594)	\$ 2,156	\$ (35,427)	\$ 208,623
Interest income (expense), net	200	(567)	(299)	(125,515)	(126,181)
Other income (expense), net	781		56	(131)	706
Income (loss) before income taxes	\$ 247,469	\$ (5,161)	\$ 1,913	\$ (161,073)	\$ 83,148
Capital expenditures(1)	\$ 411,050	\$ 17,612	\$ 36,759	\$ 12,124	\$ 477,545
Depreciation, depletion and amortization	\$ 108,034	\$ 14,163	\$ 1,803	\$ 6,720	\$ 130,720
<b>At June 30, 2010</b>					
Total assets	\$ 2,526,417	\$ 218,845	\$ 141,357	\$ 242,044	\$ 3,128,663
<b>Six Months Ended June 30, 2009</b>					
Revenues	\$ 225,660	\$ 149,789	\$ 166,205	\$ 12,407	\$ 554,061
Inter-segment revenue	(130)	(138,380)	(121,695)	(744)	(260,949)
Total revenues	\$ 225,530	\$ 11,409	\$ 44,510	\$ 11,663	\$ 293,112
Operating loss(2)	\$ (1,101,077)	\$ (5,556)	\$ (27,820)	\$ (31,814)	\$ (1,166,267)
Interest expense, net	(47)	(1,191)		(81,730)	(82,968)



Other income, net	1,243	434	1,677
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Loss before income taxes	\$ (1,099,881)	\$ (6,747)	\$ (27,386)	\$ (113,544)	\$ (1,247,558)
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Capital expenditures(1)	\$ 383,231	\$ 2,201	\$ 41,288	\$ 17,764	\$ 444,484
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Depreciation, depletion and amortization	\$ 95,785	\$ 14,195	\$ 3,957	\$ 7,266	\$ 121,203
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**At  
December 31,  
2009**

Total assets	\$ 2,222,724	\$ 229,507	\$ 110,757	\$ 217,329	\$ 2,780,317
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- (1) Capital expenditures are presented on an accrual basis.  
(2) The operating loss for the exploration and production segment for the six-month period ended June 30, 2009 includes a \$1,304.4 million non-cash full cost ceiling impairment on the Company's oil and natural gas properties.

**19. Condensed Consolidating Financial Information**

The Company provides condensed consolidating financial information for its subsidiaries that are guarantors of its registered debt. The subsidiary guarantors are wholly owned and have, jointly and severally, unconditionally guaranteed on an unsecured basis the Company's 8.625% Senior Notes and Senior Floating Rate Notes. The subsidiary guarantees (i) rank equally in right of payment with all of the existing and future senior debt of the subsidiary guarantors; (ii) rank senior to all of the existing and future subordinated debt of the subsidiary guarantors; (iii) are effectively subordinated in right of payment to any existing or future secured

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**SANDRIDGE ENERGY, INC. AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)**

**(Unaudited)**

obligations of the subsidiary guarantors to the extent of the value of the assets securing such obligations; and (iv) are structurally subordinated to all debt and other obligations of the subsidiaries of the guarantors who are not themselves guarantors. The Company has not presented separate financial and narrative information for each of the subsidiary guarantors because it believes that such financial and narrative information would not provide any additional information that would be material in evaluating the sufficiency of the guarantees.

Effective May 1, 2009, SandRidge Energy, Inc., the parent, contributed all of its rights, title and interest in its oil and natural gas related assets and accompanying liabilities to one of its wholly owned guarantor subsidiaries, leaving it with no oil or natural gas related assets or operations.

The following condensed consolidating financial information represents the financial information of SandRidge Energy, Inc. and its wholly owned subsidiary guarantors, prepared on the equity basis of accounting. The Company's subsidiary guarantors guarantee payments of principal and interest under the Company's registered notes. The non-guarantor subsidiaries are minor and, therefore, not presented separately. The financial information may not necessarily be indicative of the financial position, results of operations or cash flows had the subsidiary guarantors operated as independent entities.

**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)****(Unaudited)****Condensed Consolidating Balance Sheets**

	June 30, 2010			
	Parent Company	Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)			
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 169	\$ 1,914	\$	\$ 2,083
Accounts receivable, net	753,603	250,853	(901,047)	103,409
Derivative contracts		63,737		63,737
Other current assets		56,897		56,897
Total current assets	753,772	373,401	(901,047)	226,126
Property, plant and equipment, net		2,783,773		2,783,773
Investment in subsidiaries	2,019,681		(2,019,681)	
Other assets	55,528	63,236		118,764
Total assets	\$ 2,828,981	\$ 3,220,410	\$ (2,920,728)	\$ 3,128,663
<b>LIABILITIES AND EQUITY</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 211,248	\$ 1,005,692	\$ (901,047)	\$ 315,893
Other current liabilities	7,208	12,435		19,643
Total current liabilities	218,456	1,018,127	(901,047)	335,536
Long-term debt	2,730,660	18,763		2,749,423
Asset retirement obligation		115,475		115,475
Other liabilities	9,340	37,427		46,767

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Total liabilities	2,958,456	1,189,792	(901,047)	3,247,201
(Deficit) equity	(129,475)	2,030,618	(2,019,681)	(118,538)
Total liabilities and equity	\$ 2,828,981	\$ 3,220,410	\$ (2,920,728)	\$ 3,128,663

**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)****(Unaudited)**

	<b>December 31, 2009</b>			
	<b>Parent Company</b>	<b>Guarantor Subsidiaries</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>(In thousands)</b>			
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 339	\$ 7,522	\$	\$ 7,861
Accounts receivable, net	642,317	239,719	(776,560)	105,476
Derivative contracts		105,994		105,994
Other current assets		36,633		36,633
<b>Total current assets</b>	<b>642,656</b>	<b>389,868</b>	<b>(776,560)</b>	<b>255,964</b>
Property, plant and equipment, net		2,433,643		2,433,643
Investment in subsidiaries	1,813,887		(1,813,887)	
Other assets	49,103	41,607		90,710
<b>Total assets</b>	<b>\$ 2,505,646</b>	<b>\$ 2,865,118</b>	<b>\$ (2,590,447)</b>	<b>\$ 2,780,317</b>
<b>LIABILITIES AND EQUITY</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 159,693	\$ 820,775	\$ (776,560)	\$ 203,908
Other current liabilities	7,080	14,556		21,636
<b>Total current liabilities</b>	<b>166,773</b>	<b>835,331</b>	<b>(776,560)</b>	<b>225,544</b>
Long-term debt	2,543,611	23,324		2,566,935
Asset retirement obligation		108,584		108,584
Other liabilities	1,219	73,940		75,159
<b>Total liabilities</b>	<b>2,711,603</b>	<b>1,041,179</b>	<b>(776,560)</b>	<b>2,976,222</b>
<b>(Deficit) equity</b>	<b>(205,957)</b>	<b>1,823,939</b>	<b>(1,813,887)</b>	<b>(195,905)</b>

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Total liabilities and equity	\$ 2,505,646	\$ 2,865,118	\$ (2,590,447)	\$ 2,780,317
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**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)****(Unaudited)****Condensed Consolidating Statements of Operations**

	Parent Company	Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)			
<b>Three Months Ended June 30, 2010</b>				
Total revenues	\$	\$ 182,439	\$	\$ 182,439
Expenses:				
Direct operating expenses		82,604		82,604
General and administrative	86	33,779		33,865
Depreciation, depletion, amortization and impairment		66,139		66,139
Gain on derivative contracts		(119,621)		(119,621)
Total expenses	86	62,901		62,987
(Loss) income from operations	(86)	119,538		119,452
Equity earnings from subsidiaries	117,094		(117,094)	
Interest expense, net	(63,594)	(567)		(64,161)
Other income (expense), net	73	(603)		(530)
Income before income taxes	53,487	118,368	(117,094)	54,761
Income tax (benefit) expense	(28)	178		150
Net income	53,515	118,190	(117,094)	54,611
Less: net income attributable to noncontrolling interest		1,096		1,096
Net income attributable to	\$ 53,515	\$ 117,094	\$ (117,094)	\$ 53,515

SandRidge Energy,  
Inc.

**Three Months  
Ended June 30,  
2009**

Total revenues	\$ 9,588	\$ 124,558	\$ (47)	\$ 134,099
Expenses:				
Direct operating expenses	5,561	87,564	(47)	93,078
General and administrative	5,152	18,480		23,632
Depreciation, depletion, amortization and impairment	4,689	43,695		48,384
(Gain) loss on derivative contracts	(30,704)	49,696		18,992
<b>Total expenses</b>	<b>(15,302)</b>	<b>199,435</b>	<b>(47)</b>	<b>184,086</b>
Income (loss) from operations	24,890	(74,877)		(49,987)
Equity earnings from subsidiaries	(75,008)		75,008	
Interest expense, net	(41,421)	(810)		(42,231)
Other income, net		683		683
Loss before income taxes	(91,539)	(75,004)	75,008	(91,535)
Income tax benefit	(365)			(365)
Net loss	(91,174)	(75,004)	75,008	(91,170)
Less: net income attributable to noncontrolling interest		4		4
Net loss attributable to SandRidge Energy, Inc.	\$ (91,174)	\$ (75,008)	\$ 75,008	\$ (91,174)



**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)****(Unaudited)**

	Parent Company	Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)			
<b>Six Months Ended June 30, 2010</b>				
Total revenues	\$	\$ 393,434	\$	\$ 393,434
Expenses:				
Direct operating expenses		170,125		170,125
General and administrative	163	65,376		65,539
Depreciation, depletion, amortization and impairment		130,720		130,720
Gain on derivative contracts		(181,573)		(181,573)
Total expenses	163	184,648		184,811
(Loss) income from operations	(163)	208,786		208,623
Equity earnings from subsidiaries	205,795		(205,795)	
Interest expense, net	(124,970)	(1,211)		(126,181)
Other income, net	74	632		706
Income before income taxes	80,736	208,207	(205,795)	83,148
Income tax (benefit) expense	(16)	178		162
Net income	80,752	208,029	(205,795)	82,986
Less: net income attributable to noncontrolling interest		2,234		2,234
	\$ 80,752	\$ 205,795	\$ (205,795)	\$ 80,752

Net income  
attributable to  
SandRidge  
Energy, Inc.

**Six Months  
Ended  
June 30, 2009**

Total revenues	\$ 58,271	\$ 236,946	\$ (2,105)	\$ 293,112
Expenses:				
Direct operating expenses	27,737	143,664	(2,105)	169,296
General and administrative	15,515	36,602		52,117
Depreciation, depletion, amortization and impairment	627,478	798,143		1,425,621
(Gain) loss on derivative contracts	(237,351)	49,696		(187,655)
<b>Total expenses</b>	<b>433,379</b>	<b>1,028,105</b>	<b>(2,105)</b>	<b>1,459,379</b>
Loss from operations	(375,108)	(791,159)		(1,166,267)
Equity earnings from subsidiaries	(791,369)		791,369	
Interest expense, net	(81,190)	(1,778)		(82,968)
Other income, net	102	1,575		1,677
Loss before income taxes	(1,247,565)	(791,362)	791,369	(1,247,558)
Income tax benefit	(1,534)			(1,534)
Net loss	(1,246,031)	(791,362)	791,369	(1,246,024)
Less: net income attributable to noncontrolling interest		7		7
Net loss attributable to SandRidge Energy, Inc.	\$ (1,246,031)	\$ (791,369)	\$ 791,369	\$ (1,246,031)

**Table of Contents****SANDRIDGE ENERGY, INC. AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (Continued)****(Unaudited)****Condensed Consolidating Statements of Cash Flows**

	<b>Parent Company</b>	<b>Guarantor Subsidiaries</b>	<b>Elimination</b>	<b>Consolidated</b>
	<b>(In thousands)</b>			
<b>Six Months Ended</b>				
<b>June 30, 2010</b>				
Net cash (used in) provided by operating activities	\$ (160,436)	\$ 418,895	\$	\$ 258,459
Net cash used in investing activities		(416,199)		(416,199)
Net cash provided by (used in) financing activities				